

# CITY COUNCIL REPORT



Meeting Date: **June 18, 2013**  
 General Plan Element: ***Economic Development***  
 General Plan Goal: ***Sustain Scottsdale as a tourist destination***

## **ACTION**

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### **Scottsdale CVB Destination Marketing Plan**

Adopt Resolution No. 9442 authorizing the 2013/14 Marketing Guide, Performance Standards and Contract Budget under Destination Marketing Services Agreement No. 2012-053-COS with Scottsdale Convention and Visitors Bureau

## **BACKGROUND**

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The objective of the City's Tourism Development Program is to enhance the economic well-being and quality of life of the community and its residents by strengthening the local tourism industry through a comprehensive tourism program of destination marketing, research, support of qualified major events, and the development of destination attractions.

The Tourism Development Program activities are funded from the city's transaction privilege tax on transient lodging, or "bed tax" revenue. The City's bed tax rate is a percentage of the hotel room rate and is paid by guests staying in the City's hotels and resorts. The City's current bed tax rate is 5% and is allocated as follows: fifty (50) percent of the total bed tax revenue is used toward destination marketing to promote tourism, and the remaining fifty (50) percent is allocated among tourism research, administration, support for tourism-driven events, tourism-related capital projects, and other eligible uses as determined by ordinance and state law.

The Tourism Development Program's destination marketing component is currently provided through a partnership between the City and the Scottsdale Convention and Visitors Bureau (SCVB).

The leadership of the SCVB is provided by the 23-member Board of Directors, all with national and local tourism industry experience. Further, the SCVB has the qualified and experienced staff necessary for the successful implementation of the City's contract for destination marketing.

In 2012, a five-year destination marketing agreement was approved by city council (Attachment No. 2). The five-year Destination Marketing Services Agreement continues to ensure that City funds are used for the program of work as presented in the Destination Marketing Guide. The agreement is monitored on an ongoing basis by the City's contract administrator through quarterly performance measures, programming updates and financial reports. In addition to the quarterly reports, the

terms of the SCVB's contract call for an annual audit and year-end financial and performance reports.

On May 21, 2013, the Tourism Development Commission (TDC) approved a recommendation to the Mayor and City Council to approve the FY13/14 "Destination Marketing Guide" (Attachment No. 3), contract performance standards (Attachment No. 4), and budget (Attachment No. 5) as submitted by the SCVB.

## **ANALYSIS & ASSESSMENT**

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Over the past few years, the Scottsdale tourism industry has encountered several challenges, including recession-related downturns in hotel performances, and companies reducing or eliminating corporate meetings in warm weather destinations. Although the Scottsdale tourism industry began a slow recovery in 2011, Scottsdale tourism industry performance measurements for 2012 have noted slow and inconsistent growth and indications are that the Scottsdale destination is recovering slower than other competitive destinations.

As reported by Smith Travel Research, occupancy in the Scottsdale market increased from 60% in 2011, to 62% in 2012. The City's Financial Services Department reported bed tax revenue through March is up 2% over the same period last fiscal year.

The proposed FY13/14 Destination Marketing contract budget amount is \$6,994,500 which represents 50% of the estimated FY13/14 bed tax total of \$13,989,000. An allocation of \$276,346 will be prepared from non-destination marketing funds toward the 2013/14 Fiesta Bowl games.

### **Proposed SCVB FY13/14 Destination Marketing Guide**

With an anticipated increase in the FY13/14 SCVB contract budget, the SCVB is planning to maintain and enhance the programs which provide a consistent return on investment as well as implement new marketing programs which will allow Scottsdale to remain a competitive destination.

The following are a few areas the SCVB will focus on this year to drive new visitation and meeting groups to Scottsdale: 1) marketing and sales initiatives research, 2) messaging to high value leisure and group meeting customers, 3) imaging of Scottsdale through TV commercials and video footage, 4) building relationships with meeting planners, travel agents, tour operators and media. Initiatives outlined in the 2013/14 destination marketing guide correspond with the City's Tourism Development and Marketing Strategic Plan efforts.

The attached FY13/14 Destination Marketing Guide describes the destination marketing plan and tactics that will be used to implement next year's program of work. The plan and proposed budget have also been reviewed and recommended by the TDC and the Scottsdale CVB Board of Directors.

The general direction and major activity areas to be undertaken by the SCVB are outlined below, and are reflective of the SCVB's primary mission as a sales and marketing organization. As detailed in the FY13/14 Destination Marketing Guide, the following will be accomplished through a multifaceted program of work:

- Marketing & Advertising
- Communication – Public and Media Relations
- Convention Sales & Services
- Tourism and Travel Industry Sales
- Production and Distribution of Promotional Material
- Visitor Services

Fiscal Year 2013/14 consists of the following program elements and budget allocations:

**FY2013/2014**  
**SCVB Destination Marketing Services Funding Budget**

	<b>FY13/14 Budget</b>	<b>FY12/13 Revised</b>	<b>FY12/13 Budget</b>
Contract Amount	\$6,994,500	\$6,528,958	\$6,692,500
Carry-Over/True Up	To be Determined	\$208,603	\$81,948
Fiesta Bowl	\$276,346	\$265,717	\$ 265,717
P.F. Chang R 'n' R	N/A	\$90,000	\$90,000
<b>TOTAL</b>	<b>\$7,270,846</b>	<b>\$7,093,278</b>	<b>\$7,130,165</b>

The Fiesta Bowl expenditure is per the terms of the 2007-2026 agreement approved by City Council on August 28, 2006. The P.F. Chang Rock 'n Roll Marathon contract with the SCVB expired following the 2013 event. A proposal to continue funding the marathon event will be evaluated by the TDC and presented to City Council for approval at a later date.

**Community Involvement**

In addition to its quarterly membership meetings, the SCVB also conducts periodic meetings with representatives of the tourism community, specifically the SCVB task forces on resort spas, golf, sales and marketing, and downtown art. Their direction is reflected in the FY13-14 Destination Marketing Guide.

The Destination Marketing program, contract performance standards and budget, were also discussed at the February 19, March 19, and May 21, 2013 TDC meetings. These were public meetings with the opportunity for public comment.

**RESOURCE IMPACTS**

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The City's Financial Services Department is estimating FY2013/14 bed tax revenue of \$13,989,000. Fifty (50) percent of the total bed tax revenue derived from the bed tax will be used for destination marketing to promote tourism, and the remaining fifty (50) percent will be allocated among tourism research, support for tourism-driven events, tourism-related capital projects, and other eligible uses. During the terms of the agreement, financial services will regularly include bed tax revenues and expenditures in City Council financial updates and information.

The proposed FY13/14 Destination Marketing contract amount of \$6,994,500 is included in the tourism development bed tax FY13/14 budget.

The SCVB anticipates their total FY13/14 operating budget to be approximately \$11,376,771. The FY12/13 City contract amount accounted for 62% of the FY12/13 budget and the FY13/14 contract amount is estimated to be 61% of the FY13/14 budget, pending specific amounts from the Arizona Office of Tourism, Ft. McDowell Yavapai Nation, and Salt River Pima Maricopa Indian Community.

The private sector contributed approximately 10 percent of the total FY12/13 SCVB budget, and the Town of Paradise Valley contributed approximately 8 percent.

**Staffing, Workload Impact**

No additional staffing or other resources are anticipated for the implementation of the Destination Marketing Services Agreement.

**Future Budget Implications**

Per the terms of the five year agreement, future funding for multi-year SCVB commitments such as the 20-year Fiesta Bowl agreement, as well as all other destination marketing activities, will require City Council approval.

The City has also provided that after successful completion of the performance requirements in the "2007-2026 Scottsdale Convention and Visitors Bureau and Fiesta Bowl Hospitality and Promotional Agreement" (Attachment No. 6), and fulfillment of the lease agreement between the City and the Fiesta Bowl, the City would transfer the deed to approximately 4,000 square feet of City-owned space at the Scottsdale Waterfront development to the Fiesta Bowl organization. This space was acquired by the City at no charge as a condition of the Waterfront Development Agreement and is currently leased by the City to Fiesta Bowl for the Fiesta Bowl Museum. The estimated value of this space at the time of the agreement was \$2 million.

The Fiesta Bowl agreement also provides up to \$15,000 of in-kind City of Scottsdale police escort services annually.

**OPTIONS & STAFF RECOMMENDATION**

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Adopt Resolution No. 9442 authorizing the 2013/14 Marketing Guide, Performance Standards and Contract Budget under Destination Marketing Services Agreement No. 2012-053-COS with Scottsdale Convention and Visitors Bureau

**RESPONSIBLE DEPARTMENT(S)**

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Economic Development


## STAFF CONTACTS (S)

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[sgeiogamah@scottsdaleaz.gov](mailto:sgeiogamah@scottsdaleaz.gov)

## APPROVED BY

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Cindi L. Eberhardt, Economic Development

6/3/13  
Date

Assistant Director

480-312-2311, [ceberhardt@scottsdaleaz.gov](mailto:ceberhardt@scottsdaleaz.gov)

  
Paul T. Katsenes, Executive Director

6-3-13  
Date

Community & Economic Development

480-312-2890, [pkatsenes@scottsdaleaz.gov](mailto:pkatsenes@scottsdaleaz.gov)

  
Dan Worth, Acting City Manager

6.4.13  
Date

480-312-5555, [Dworth@scottsdaleaz.gov](mailto:Dworth@scottsdaleaz.gov)

## ATTACHMENTS

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1. Resolution No. 9442
2. Destination Marketing Service Contract No. 2012-053-COS
3. FY2013/2014 Destination Marketing Guide
4. FY2013/2014 Performance Standards
5. FY2013/2014 Contract Budget
6. Fiesta Bowl Hospitality and Promotional Agreement
7. May 21, 2013 Tourism Development Commission Meeting Minutes

**RESOLUTION NO. 9442**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE,  
MARICOPA COUNTY, ARIZONA, APPROVING THE 2013/2014  
MARKETING GUIDE, PERFORMANCE STANDARDS AND CONTRACT  
BUDGET UNDER DESTINATION MARKETING SERVICES  
AGREEMENT NO. 2012-053-COS WITH SCOTTSDALE CONVENTION  
AND VISITORS BUREAU

(SCVB)

**WHEREAS:**

A. City and Scottsdale Convention and Visitors Bureau ("SCVB") are parties to that certain Destination Marketing Services Agreement (No. 2012-053-COS) dated June 19, 2012 (the "Agreement").

B. Pursuant to paragraphs 2.1.1.2, 2.1.2.2 and 4.1.1 of the Agreement, SCVB has submitted a proposed marketing guide for Fiscal Year (FY) 2013/2014, proposed performance standards for FY 2013/2014 and a proposed contract budget for FY 2013/2014.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The City Council hereby approves the proposed marketing guide, performance standards and budget as presented and considered for use in Fiscal Year 2013/14.

PASSED AND ADOPTED by the Council of the City of Scottsdale this 18th day of June, 2013.

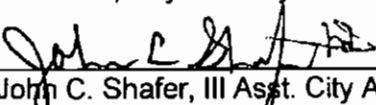
CITY OF SCOTTSDALE, an Arizona  
municipal corporation

\_\_\_\_\_  
W. J. "Jim" Lane, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:  
Bruce Washburn, City Attorney

By: \_\_\_\_\_  
John C. Shafer, III Asst. City Attorney

(2012-053-COS)  
(Reso. No. 9088)

**DESTINATION MARKETING SERVICES AGREEMENT**

THIS DESTINATION MARKETING SERVICES agreement (the "Agreement") is made and entered into this 19th day of June, 2012, by City of Scottsdale, an Arizona municipal corporation ("City") and Scottsdale Convention and Visitors Bureau, Inc. an Arizona non-profit corporation ("SCVB").

**RECITALS**

A. City and SCVB desire to pursue certain objectives (the "Marketing Objectives") to enhance and promote Scottsdale as a tourism destination. The Marketing Objectives are:

1. Generate increased economic activity through the effective marketing of City as a tourist and meetings destination.

2. Increase national and international exposure.

3. Attract leisure business.

4. Respond to consumer information requests.

5. Increase convention and meeting bookings through assistance to hoteliers.

6. Increase group and individual tour business through solicitation and servicing.

7. Support a climate within the City of Scottsdale wherein tourism may flourish through the active participation and cooperation of government and private sectors.

B. City collects certain funds under Scottsdale Revised Code, Appendix C, Sec. 447 (the "Bed Tax Funds") to be used, pursuant to Financial Policy 21A, to help promote certain events and other marketing activities that support the Marketing Objectives.

C. City and SCVB desire to enter into this Agreement regarding fifty percent (50%) of the Bed Tax Funds (the "Marketing Funds"), subject to availability, appropriation and the other limitations, conditions and requirements of this Agreement.

D. City is willing to provide the Marketing Funds if SCVB performs certain activities (the "Marketing Activities") to promote the Marketing Objectives.

E. This Agreement and SCVB's performances hereunder will provide direct benefit to City and to the general public by the enhancement of the economic and tourism climate of City and its environs.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings and promises contained herein, City and SCVB agree as follows:

## I. TERM OF AGREEMENT

1. Term of Agreement. The term of this Agreement shall be as follows:

1.1. Years. A "year" under this Agreement shall begin at 12:01 a.m. on July 1 and shall end at 11:59 p.m. on the following June 30.

1.2. Original Term Expiration. The original term of this Agreement shall begin at the beginning of year 2012/2013 and shall terminate at the end of year 2016/2017, unless sooner terminated as set forth in this Agreement.

1.3. Termination. City or SCVB may, without prejudice to any other right or remedy, terminate this Agreement for any cause or reason or without cause or reason on thirty (30) days notice.

## II. MARKETING ACTIVITIES

2. Marketing Activities. SCVB shall conduct the Marketing Activities as follows:

2.1 Required Marketing Activities. SCVB shall perform the following Marketing Activities:

2.1.1 Destination Marketing Guide. SCVB shall each year prepare a "destination marketing guide" (the "Marketing Guide") as follows:

2.1.1.1 Initial Marketing Guide. City approves the proposed marketing guide attached hereto as Exhibit "A" as the Marketing Guide for year 2012/2013.

2.1.1.2 Marketing Guide Approval. No later than May 1 of each year during the term of this Agreement, (including the last year) SCVB shall deliver to City a proposed marketing guide for the subsequent year. If City's city council approves the proposed new marketing guide prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new marketing guide shall be the Marketing Guide under this Agreement during the subsequent year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed marketing guide.

2.1.1.3 Marketing Guide Review. City and SCVB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Marketing Guide.

2.1.1.4 Marketing Guide Changes. Changes to the Marketing Guide shall require City's contract administrator's approval. The preceding sentence does not apply to changes to individual media and sales activities listed in the schedule attached to the Marketing Guide that do not otherwise change the Marketing Guide. For example, SCVB may choose to advertise in a different magazine or change sales calls to a different city.



**2.1.2 Performance Standards.** SCVB shall each year prepare a list of specific performance criteria (the "Performance Standards") for Marketing Activities as follows:

**2.1.2.1 Initial Performance Standards.** City approves the proposed performance standards attached hereto as Exhibit "B" as the Performance Standards for year 2012/2013.

**2.1.2.2 Performance Standards Approval.** No later than May 1 of each year during the term of this Agreement (including the last year), SCVB shall deliver to City proposed performance standards for the subsequent year. If City's city council approves the proposed new performance standards prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new performance standards shall be the Performance Standards under this Agreement during the subsequent year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed performance standards.

**2.1.2.3 Performance Standards Review.** City and SCVB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Performance Standards.

**2.1.2.4 Performance Standards Changes.** Changes to the Performance Standards shall be mutually agreed upon by SCVB and City's contract administrator.

**2.1.3 Event Marketing.** SCVB shall promote Scottsdale as a travel destination using major tourist-oriented festivals, competitions and other events that advance the Marketing Objectives (the "Events") as part of an overall marketing program (as hereinafter provided).

**2.1.4 Program of Marketing Activities.** SCVB shall use the Marketing Funds to carry out the following program of Marketing Activities as set out in the Marketing Guide:

**2.1.4.1 Marketing Target.** SCVB shall position Scottsdale as a tourist and meetings destination and shall direct staff and resources to those generally accepted target market segments in all business categories.

**2.1.4.2 Communications.** SCVB shall carry out marketing communications by implementing marketing strategies that position Scottsdale as a destination and that generate leisure and business travel from individual, meeting, and leisure group markets. Those strategies are: advertising; event and consumer promotions; database relationship marketing; public relations; web site maintenance, enhancements, and development; and on-line marketing program and promotions.

**2.1.4.3 Tourism Industry Sales.** SCVB shall carry out sales and marketing activities to tour operators, travel agents, incentive buyers, and receptive operators serving high-end leisure groups, and individual travelers in target markets identified by SCVB in order to promote visitation to Scottsdale.

**2.1.4.4 Meetings and Convention Sales.** SCVB shall carry out programs that reinforce relationships with existing clients, and that seek out sources of new business

from small to medium size corporate groups, incentive travel programs, and key industry association meetings.

**2.1.4.5 Convention Services.** SCVB shall provide meeting management services and other logistical support to meetings and conventions in Scottsdale.

**2.1.4.6 Visitor Services.** SCVB shall provide a full service visitor center open at least eight (8) hours per day not less than five (5) days per week to handle visitor inquiries generated by consumer marketing programs and walk-in persons.

**2.1.5 Advice.** SCVB shall advise City on how various activities or plans may affect tourism marketing.

**2.1.6 New Programs.** SCVB shall develop, implement and manage such new City-directed tourism marketing programs as City may add to this Agreement from time to time. City shall determine, with advice from SCVB, the primary function of the new program and the anticipated costs of program operation. New programs shall be subject to City's city council's approval and SCVB's approval.

**2.2 Coordination.** SCVB shall coordinate tourism marketing activities with City departments and programs to avoid duplication of efforts and to enhance the breadth and scope of tourism marketing programs within the community.

**2.3 Conduct of Marketing Activities.** SCVB shall conduct the Marketing Activities in conformance with the Marketing Guide and the Performance Standards.

**2.4 SCVB Contracts with Others.** If City's contract administrator approves in advance, SCVB may also enter into agreements with other public entities or organizations to provide similar destination marketing or related services. City approves the continuance of the existing marketing relationships that SCVB currently has with the Town of Sedona, the Fort McDowell Yavapai Nation, the Salt River Pima Maricopa Indian Community, and the Town of Paradise Valley.

### **III. TOURISM RELATED EVENTS**

**3. Tourism Related Events.** SCVB shall solicit and support Events in compliance with the following:

**3.1 Event Contracts.** If SCVB supports a specific Event using any funds or other resources provided by City, whether or not this Agreement mentions the specific Event, then SCVB shall enter into a contract (the "Event Contract") with the Event producer as follows:

**3.1.1** The Event Contract shall require the Event producer (the "Producer") to satisfy certain requirements by certain dates (the "Event Producer Requirements") as determined by the Producer and SCVB.

**3.1.2** The Event Contract shall require SCVB to satisfy certain requirements (the "Event SCVB Requirements") as determined by the Producer and SCVB.

3.1.3 The Event Contract shall require SCVB to make best efforts to cause City to satisfy certain requirements (the "Event City Requirements") by certain dates as determined by the Producer and SCVB. Unless this Agreement specifically sets out Event City Requirements and City's city council also formally approves the Event City Requirements in strict compliance with this Agreement, there shall be no Event City Requirements and City shall have no obligations related to the Event.

3.1.4 The Event Producer Requirements, SCVB Requirements and Event City Requirements (collectively the "Event Overall Requirements") shall be specified in detail in the Event Contract.

3.1.5 SCVB shall include in each Event Contract between SCVB and a Producer the following stand-alone paragraph [in the body of the Event Contract]:

City of Scottsdale. Notwithstanding anything in this Agreement to the contrary, City of Scottsdale is not a party to or bound by this Agreement, but SCVB and Producer acknowledge and agree to the City Support Provisions attached hereto as Exhibit "\_\_\_\_\_".

3.1.6 SCVB shall attach as an exhibit to each Event Contract between SCVB and a Producer the City Support Provisions specified on Exhibit "C" attached hereto.

3.1.7 The Event Contract may contain such additional terms as SCVB and the Event Producer may desire relating to the Event, all of which must not be inconsistent with this Agreement, and in any event shall not bind City.

3.2 Committed Events. City and SCVB have agreed to provide support for the following Events (the "Committed Events"):

3.2.1 City and SCVB shall support the Fiesta Bowl as follows:

3.2.1.1 The Event Overall Requirements for the Fiesta Bowl are set out in Exhibit "D" attached hereto. SCVB shall perform the Event SCVB Requirements. SCVB shall cause the Event Producer to perform the Event Producer Requirements. City shall perform the Event City Requirements.

3.2.1.2 SCVB shall comply and cause Fiesta Bowl to comply with the Event Contract and other provisions of this Agreement relating to the Fiesta Bowl.

3.2.1.3 The Contract Budget already includes the amount of any Marketing Funds to be provided by City in the Event City Requirements for the Fiesta Bowl.

3.2.2 There are no other Committed Events.

3.3 Additional Events. If SCVB or City desires that City contribute financially or otherwise to SCVB's marketing or promotional support of any Event other than a Committed Event (an "Additional Event"), then the following shall apply:

3.3.1 SCVB shall submit to City a request (the "Additional Event Request") for the Additional Event. The Additional Event Request shall specify the proposed Additional Event Overall Requirements. Unless City's contract administrator consents to a different form that provides the same information, each Additional Event Request shall be in the form attached hereto as Exhibit "E".

3.3.2 At City's request, SCVB shall make itself available to City to explore proposed changes to an Additional Event Request that might make the Additional Event Request acceptable to City. If City's proposed changes would require SCVB to satisfy Event SCVB requirements beyond those stated in the Additional Event Request submitted by SCVB, SCVB may withdraw the Additional Event Request. City and SCVB shall otherwise mutually agree to reevaluate the proposal.

3.3.3 City shall have no obligation to entertain or approve an Additional Event Request. Only City's city council by formal vote shall have authority to approve an Additional Event Request.

3.3.4 No Additional Event Request shall be effective as to City unless it is formally approved by City's city council. If City's city council approves an Additional Event Request, then the amount of Bed Tax Funds requested in the Additional Event Request shall be provided out of the City's portion allocated to tourism development, added to the Marketing Funds, and paid to SCVB in conformity with the Additional Event Request. The Event SCVB Requirements and Event City Requirements shall be added to the Contract Budget. If City's city council approves an Additional Event Request that varies from the Additional Event Request submitted by SCVB then City shall be deemed to have rejected the Additional Event Request unless SCVB within thirty (30) days thereafter gives notice to City that SCVB accepts the Additional Event Request as modified by City's city council.

3.3.5 If City approves an Additional Event Request, any Event Contract that SCVB enters into for the Additional Event shall specify the Event Overall Requirements and otherwise comply with the Event Contract provisions of this Agreement.

3.3.6 City and SCVB agree that SCVB shall provide marketing and promotional support to all approved Additional Events. City and SCVB shall mutually agree in advance of presenting an Additional Event to City's city council whether SCVB will participate further in an Additional Event.

3.4 Other Events. This Agreement does not in any way interfere with City's right to deal directly with any Event producer or other person or entity related to an Event. City is free to provide support for any Event and to enter into any contract with any Event producer, which support and contract shall be outside the purview of this Agreement.

#### IV. CITY FUNDING

4. City Funding. City's payment of the Marketing Funds shall be subject to the following:

4.1 Contract Budget. All Marketing Funds and other City support and all Marketing Activities and other SCVB expenditures and activities shall comply with a budget (the "Contract Budget") as follows:

4.1.1 The total amount of Marketing Funds that City shall provide under this Agreement (the "Contract Amount") for each year shall be equal to fifty percent (50%) of the Bed Tax Funds collected during the year, such amount to be adjusted and paid in monthly installments as set out below. City approves as the Contract Budget for year 2012/2013 the portions of the proposed budget attached hereto as Exhibit "F" that are shown in such exhibit as totaling the Contract Amount. The Contract Amount and Contract Budget shall also include an additional amount of non-marketing Bed Tax Funds, which SCVB shall use to perform the Event Overall Requirements for the Fiesta Bowl.

4.1.1.1 No later than May 15th of each year during the term of this Agreement, (including the last year) SCVB shall deliver to City a proposed Contract Budget of all funds to be received or expended by SCVB during the following year as follows:

4.1.1.2 SCVB's proposed contract budget shall list all funds that SCVB proposes to receive or expend under this Agreement. The total amount of Bed Tax Funds that SCVB proposes to receive during the following year (the "Proposed Amount") shall be clearly listed by itself on a single separate line of the proposed contract budget. SCVB's proposed contract budget shall also list all funds that SCVB otherwise proposes to receive or expend during the year. The proposed SCVB contract budget shall clearly indicate which funds SCVB anticipates receiving from City under this Agreement and which funds SCVB anticipates receiving from other sources.

4.1.1.3 If City's city council approves the proposed contract budget prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed contract budget shall be the Contract Budget under this Agreement during the subsequent year and the Proposed Amount in such budget shall be the Contract Amount for the following year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed budget.

4.1.1.4 City and SCVB shall meet monthly to discuss actual Bed Tax Funds collections. City's contract administrator shall from time to time request City's Tourism Development Commission to discuss actual Bed Tax Funds collections. No later than April 10 each year, City shall provide to SCVB an estimate of the total amount of Bed Tax Funds that City anticipates City will collect during the following year. SCVB and City's Tourism Development Commission shall have an opportunity to provide input about City's estimate before City provides the estimate to SCVB under this Agreement. SCVB's proposed contract budget shall be based on City's estimate.

4.1.2 SCVB shall not request, accept or spend any Marketing Funds in amounts inconsistent with the Contract Budget or other requirements of this Agreement. SCVB

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shall reimburse to City any Marketing Funds not spent for the purposes specified by the Contract Budget and this Agreement.

4.1.3 If the City Treasurer determines that the Estimated Receipts will significantly exceed or fall short of the actual Bed Tax funds City will receive, then the City contract administrator shall have authority to elect to approve a new Contract Budget provided by SCVB that conforms to the Estimated Receipts as determined by the City Treasurer.

4.2 Event Payment Timing. Subject to the limitations set out elsewhere in this Agreement, City shall pay the portions of the Marketing Amount that are for support of a particular Event in a year as follows:

4.2.1 No later than thirty (30) days and not earlier than sixty (60) days before City's payment of Marketing Funds is due for the Event, SCVB shall deliver to City an invoice for the amount.

4.2.2 City shall pay the entire amount in a single installment on the date specified in the Event City Requirements for the Event.

4.2.3 The total amount that City pays related to the Event shall not exceed the lesser of the amount specified by the Contract Budget, or any lesser amount specified in the Event Contract or this Agreement. If any of those provide different amounts, City will only pay the smallest amount.

4.3 Other Payment Timing. Subject to the limitations set out elsewhere in this Agreement, City shall pay the portions of the Marketing Amount that are not for support of a particular Event as follows:

4.3.1 No later than thirty (30) days and not earlier than sixty (60) days before City's payment of an installment of Marketing Funds is due, SCVB shall deliver to City an invoice for the amount.

4.3.2 No later than the last business day of each month, City shall pay to SCVB one-twelfth (1/12) of such amount for that year.

4.4 Actual Bed Tax Funds Collected. City's payments under this Agreement shall be adjusted based on actual Bed Tax Funds Collected as follows:

4.4.1 Each month the City Treasurer shall prepare an estimate of the amount of Bed Tax Funds that the City Treasurer estimates will be collected during the entire current year (the "Estimated Receipts"). Each monthly installment payable under this Agreement shall be comprised of two components; (a) one-half of one-twelfth of the latest Estimated Receipts, and (b) an increase or decrease that, when equally applied to all remaining payments, will cause total payments under this Agreement to equal one-half of the latest Estimated Receipts. Such changes in monthly installment amounts shall be accompanied by corresponding changes to the Contract Budget. SCVB shall propose the Contract Budget changes, which shall require approval by City contract administrator.

4.4.1.1 If a request is made by SCVB, the contract administrator may approve a carryover of Bed Tax funds to the next year (fiscal year) at any time during the current year.

4.4.2 After the close of the year, should the actual Bed Tax Funds the City received be less than the last Estimated Receipts (the "Actual Shortfall"), and if this Agreement is in effect during the following year, then City shall subtract one-half of such Actual Shortfall from the next one (or more, if necessary) monthly installments for the following year. After the close of the year, should the actual Bed Tax Funds that the City received be greater than the last Estimated Receipts ("Actual Excess"), and if this Agreement is in effect during the following year, then City shall add one-half of such Actual Excess to its first monthly payment for the following year.

4.5 Withholding of Payments. Except as provided in the next sentence, City may exercise any remedy at law or equity if SCVB does not cure any material breach of its obligations under this agreement within thirty (30) days after notice from City. City may withhold, in whole or in part, any payment to SCVB if SCVB fails to comply with any of the following, unless SCVB cures such breach within thirty (30) days after City gives notice of the breach:

4.5.1 Render services as required by this Agreement.

4.5.2 Supply information or reports as required by this Agreement.

4.5.3 Make timely payments to subcontractors, except when there is a bona fide dispute as to the existence or amount of the debt.

4.5.4 Comply with other provisions of this Agreement, including, without limitation, provisions relating to auditing or performance.

4.5.5 City Funds Upon Termination. Within fifteen (15) days after any expiration or other termination of this Agreement in any manner, SCVB shall return to City all unexpended City funds. The amount to be returned to City shall be the prorated amount of the last disbursement to SCVB, pursuant to the Contract Budget then in effect, plus any other City funds unexpended as of the date of termination.

4.6 City Funding Limitations. Payment of the Marketing Funds is subject to the limits contained elsewhere in this Agreement and the following cumulative conditions and limitations:

4.6.1 Funding Total. The total amount of Marketing Funds City pays under this Agreement shall not exceed the Marketing Amount, minus setoffs and other amounts to which City may be entitled.

4.6.2 Funding Source. City's payments shall be made only from Bed Tax Funds. City is not obligated to provide funding from any other source. City's city council may elect from time to time in its sole and absolute discretion to provide funding from other sources as follows:

4.6.2.1 All provisions of this Agreement shall apply to such additional funds, including without limitations all references to Marketing Funds and all types of Marketing Activities, except that any such additional funds comprised of Bed Tax Funds shall not be counted when determining the amount of SCVB's fifty percent (50%) share of the Bed Tax Funds.

4.6.2.2 Sources of such other funds may include, at City's election, general funds, other Bed Tax Funds, tribal gaming funds or other funds available to City.

4.6.2.3 To the extent City receives tribal gaming funds that are eligible to be used for Marketing Activities, SCVB shall accept those funds when requested by City, and SCVB shall only use these funds in a manner that is consistent with the proposal approved by the tribe.

4.6.3 Bed Tax Collections. Marketing Funds shall be disbursed only to the extent City determines, in its sole and absolute discretion, that City has collected adequate Bed Tax Funds to disburse these amounts.

4.6.4 Appropriations and Approvals. This subparagraph shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. City's provision of funds under this Agreement is in all respects subject to appropriation by City Council. City's entire obligation under this Agreement shall be limited to the amount appropriated. If funds necessary to fulfill City's obligations under this Agreement are not appropriated or are otherwise made not available by City's city council, then City may terminate this Agreement by notice to SCVB. Termination in accordance with this provision shall not constitute a breach of this Agreement by City. No person shall be entitled to any compensation, damages or other remedy from City if this Agreement is terminated pursuant to the terms of this paragraph or other terms of this Agreement. In lieu of terminating this Agreement, City may elect to reduce the amount of Marketing Funds and other resources City provides.

4.6.5 Political Activities. SCVB shall use no City funds or resources for political activities, for lobbying City's city council or any legislative or administrative body as defined in State law, or for the purpose of influencing the outcome of any election.

## V. REPORTS AND AUDITS

5. Reports and Audits. SCVB shall report Marketing Activities and other expenditures and activities as follows:

5.1 Audit Report. Within ninety (90) days after the end of each year, SCVB shall prepare and submit to City at SCVB's expense an annual audit report of revenues and expenses related to this Agreement and an opinion thereon prepared by an independent certified public accounting firm. The audit report shall include an annual financial statement prepared in accordance with generally accepted accounting principles (GAAP) and the provisions of the Statement of Financial Accounting Standards No. 117 (Financial Statements of Not-for-Profit Organizations). SCVB shall make available to City all work papers and records produced by the auditor pertaining to the audit, or copies thereof, within ten (10) working days after notice by City to do so.



5.2 Inspection of Books. City or its agent may inspect SCVB's books that relate to this Agreement at such times during normal business hours that City deems appropriate, upon five (5) working days notice. Upon reasonable request, SCVB shall furnish copies of such books and records to City, at no cost to City.

5.3 Annual Performance Report. Within thirty (30) days after the close of each year, SCVB shall submit to City a report of SCVB's performance under this Agreement. The report shall include an analysis of the effectiveness of SCVB's performances under this Agreement, including without limitation documentation of year-end performance of the Performance Measures. SCVB shall also deliver to City copies of reports, promotional literature and communications, advertisements and related materials prepared with Marketing Funds. If requested by City's city manager, SCVB shall also present these annual reports to City Council at a public city council meeting.

5.4 Quarterly Performance Reports. In addition to the annual performance report, SCVB shall deliver to City within thirty (30) days after the end of each quarter (September, December, March and June) a report that shall include a brief narrative of progress to date and an outline of SCVB's anticipated performance for the ensuing months. Such reports shall be accompanied by a summary of expenditures during the same period.

5.5 Performance Audit. City may at any time conduct a performance audit to evaluate SCVB's performance under this Agreement. SCVB shall make available any information related to this Agreement requested by City for the audit within ten (10) working days of the request. The performance audit may consider all information that is relevant to areas of operations of SCVB and its responsibilities under this Agreement.

## VI. INSURANCE AND INDEMNITY

6. Insurance and Indemnity. SCVB shall provide insurance and indemnification as follows:

6.1 Indemnification. To the fullest extent allowed by law, SCVB, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials, and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused by SCVB, its agents or contractors while performing work or services under this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of SCVB's and subcontractor's employees. Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions.

6.2 Insurance. Without limiting any of its obligations or liabilities, SCVB, at SCVB's own expense, shall purchase and maintain the hereinafter stipulated minimum insurance:

6.2.1 All Insurance shall be from a company or companies lawfully authorized to do business in the State of Arizona with an A.M. Best, Inc. rating of B++6 or above with policies and forms satisfactory to City.

6.2.2 All Insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Agreement.

6.2.3 SCVB's Insurance shall be primary Insurance, and any Insurance or self Insurance maintained by City shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect City.

6.2.4 The policies shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of SCVB under this Agreement.

6.2.5 The policies may provide coverage that contains deductible or self-insured retentions. SCVB shall be solely responsible for any deductible and/or self-insured retention.

6.2.6 The policies shall be in place by no later than ten (10) days after the date of this Agreement.

6.2.7 Within 10 working days after notice from City, SCVB shall provide to City certified copies of any or all of the required policies and/or endorsements. City shall not be obligated, however, to review same or to advise SCVB of any deficiencies in such policies and endorsements, and such receipt shall not relieve SCVB from, or be deemed a waiver of City's right to insist on, strict fulfillment of SCVB's obligations under this Agreement.

6.2.8 The Insurance policies required by this Agreement, except workers' compensation and fidelity/crime Insurance policies, shall name City, its agents, representatives, officers, directors, officials, and employees as additional insureds.

6.2.9 Required Coverage. SCVB shall cause to be in effect the following Insurance:

6.2.9.1 General Liability. SCVB shall maintain "occurrence" form Commercial General Liability Insurance with a limit of liability not less than \$1,000,000 for each occurrence with a \$2,000,000 Products and Completed Operations Limit and \$2,000,000 General Aggregate Limit. The policy shall be primary, and include coverage for bodily injury, broad form property damage, personal injury, products/completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement. Such policy shall contain a severability of interest provision. If any Excess Insurance is utilized to fulfill the requirements of this paragraph, such Excess Insurance shall be "follow form" equal or broader in coverage scope than underlying.

**6.2.9.2 Automobile Liability.** SCVB shall maintain Commercial/Business Automobile Liability Insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000, each accident with respect to SCVB's owned, hired, and non-owned vehicles assigned to or used in performance of SCVB's work or services under this Agreement. If any Excess Insurance is utilized to fulfill the requirements to this paragraph, such Excess Insurance shall be "follow form" equal or broader in coverage scope than underlying.

**6.2.9.3 Worker's Compensation.** SCVB shall maintain Worker's Compensation Insurance to cover obligations imposed by federal and state statutes having jurisdiction of SCVB's employees engaged in the performance of the work or services under this Agreement, and Employer's Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. In case any work or services under this Agreement are subcontracted, SCVB shall require all subcontractors to provide the same insurance requirements as cited above for SCVB to protect City.

**6.2.9.4 Fidelity Insurance.** SCVB shall purchase and maintain fidelity and crime insurance coverage with a limit of \$250,000 per loss.

**6.2.9.5 Other Insurance.** SCVB shall maintain any other insurance coverage or amounts of insurance City may reasonably require from time to time for the protection of the public, City and its employees, officials, representatives, officers, directors, and agents. City may elect by written notice to SCVB to require additional coverage or increased amount of any insurance to account for changes in risks, inflation, or any other factor that City reasonably determines to affect the prudent amount of insurance to be provided by SCVB.

**6.2.9.6 Certificates of Insurance.** Prior to commencing work or services under this Agreement, SCVB shall furnish to City certificates of insurance or formal endorsements as required by the Agreement, issued by SCVB's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement. In the event any insurance policy(ies) required by this Agreement is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the work or services and as evidenced by an annual Certificate of Insurance.

## **VII. MISCELLANEOUS PROVISIONS**

**7. Miscellaneous Provisions.** The following additional provisions shall apply:

**7.1. Year End Performances.** If this Agreement terminates for any reason before SCVB has provided to City reports or other payments or performances related to time periods when this Agreement was in effect, SCVB shall deliver such reports and provide such payments and performances to city notwithstanding such termination.

**7.2. Compliance with Law.** SCVB shall comply with all applicable local, state and Federal ordinances, statutes, laws and regulations.

**7.3. Compliance With E-Verify.** The parties shall comply with immigration laws as follows:

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7.3.1 The Parties understand and acknowledge the applicability to them of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. Both parties agree to comply with these laws in performing this Agreement and to permit each other to verify compliance. SCVB will include the terms of this provision in all contracts and subcontracts for work performed under this Agreement, including supervision and oversight.

7.3.2 Under the provisions of A.R.S. §41-4401, each party warrants to the other that it will comply with all Federal Immigration laws and regulations that relate to its employees and that the party and all its subcontractors working under the terms of the Agreement now comply with the E-Verify Program under A.R.S. §23-214(A).

7.3.3 A breach of this warranty will be considered a material breach of this Agreement and may subject the parties to penalties up to and including termination of this Agreement or any subcontract.

7.3.4 Both parties retain the legal right to inspect the papers of any employee of either party or any subcontractor who works on this Agreement to ensure that they are complying with the warranty given above.

7.3.5 Each party may conduct random verification of the employment records of the other and any of its subcontractors working under this Agreement to ensure compliance with this warranty. Each party agrees to indemnify, defend and hold harmless the other party for, from and against all losses and liabilities arising from any and all violations of these statutes.

7.3.6 Neither party will consider the other or any of its subcontractors in material breach of this Agreement if they establish that they have complied with the employment verification provisions prescribed by 8 USC §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

7.3.7 The provisions of this paragraph must be included in any contract either party enters into with any and all of its subcontractor who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a political subdivision, company or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. Both Parties will take appropriate steps to assure that all applicable subcontractors comply with the requirements of the E-Verify Program. The failure to assure compliance by all its subcontractors with the E-Verify Program may be considered a material breach of this Agreement.

7.4. Sudan and Iran. In accordance with A.R.S. §35-391.06 and 35-393.06, SCVB certifies that it does not have scrutinized business operations in Sudan or Iran, as defined in A.R.S. §35-391(15) and 35-393(12).

7.5. Non-liability of City Officials and Employees. No member, official or employee of City shall be personally liable to SCVB, or any successor in interest, in the event of any default or breach by City or for any amount that may become due to SCVB or its successor on any obligation related to this Agreement.

7.6. Conflict of Interest. City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity, or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from City is received by all other Parties to the contract, unless the notice specifies a later time (A.R.S. 38-511).

7.7. Procurement. SCVB shall be responsible for the purchasing process used in conjunction with its responsibilities under this Agreement. The qualification and selection of professional service providers or vendors paid under terms of this Agreement by SCVB shall be performed on a competitive basis that is acceptable to City's contract administrator.

7.8. Notices. Any notice herein required or permitted must be in writing and either hand-delivered in person or deposited in the United States mail, postage pre-paid, registered or certified mail, return receipt requested, and properly addressed, at the following addresses:

City of Scottsdale  
Tourism Development Coordinator  
Economic Vitality Department  
4021 N. 75<sup>th</sup> Street, Suite 102  
Scottsdale, AZ 85251

Scottsdale Convention & Visitors Bureau  
President & CEO  
4343 N. Scottsdale Road, Suite 170  
Scottsdale, AZ 85251

Notice shall be deemed to be given on the date of hand delivery or three (3) days after the same has been deposited postage-paid in the United States Post Office. Either party may furnish to the other a different mailing address and designate another individual upon whom all notices may be served as herein provided.

7.9. Entire Agreement. This Agreement constitutes the entire agreement between City and SCVB with respect to the subject matter and no addition, deletion or other amendment hereto may be made except as is agreed in writing by City and SCVB with the same formality for execution as accorded this Agreement.

7.10. Assignment. In making this Agreement, City and SCVB each depend upon the particular capacities, expertise, powers, and good offices of the other, which would not be satisfactorily provided by a third party. Therefore, City and SCVB agree that no right or obligation hereunder may in any way whatsoever be assigned or delegated to a third party without the prior express written consent of the other party.

7.11. Binding Effect. This Agreement and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of City and SCVB hereto and their respective successors and assigns.

7.12. Legal Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

7.13. Contract Administrator. City's contract administrator shall be City's Tourism Development Coordinator, or designee. By notice to SCVB, City's city manager may designate a different contract administrator from time to time at City's city manager's sole discretion.

7.14. Dates. Sunday, Saturday and Arizona legal holidays are holidays for purposes of this Agreement.

7.15. Time of Essence. Time is of the essence of each and every provision of this Agreement.

7.16. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

7.17. No Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder. Licensor shall have no liability to third parties for any approval of plans or activities, SCVB's negligence, SCVB's failure to comply with the provisions of this Agreement (including any absence or inadequacy of insurance required to be carried by SCVB), or otherwise as a result of the existence of this Agreement.

7.18. Exhibits. All exhibits specifically stated to be attached hereto as specified herein are hereby incorporated into and made an integral part of this Agreement for all purposes.

7.19. No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties. SCVB is a non-profit corporation and is neither a department, nor an operating agency of City.

7.20. Choice of Law. This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. City has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County.

7.21. Recording. This Agreement shall not be recorded.

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first given above.

Scottsdale Convention and Visitors Bureau,  
Inc., an Arizona non-profit corporation

By: 

Mike Sarguine

Its:

Chairman of the Board

By: 

Rachel Sacco

Its:

President & CEO

CITY OF SCOTTSDALE,  
an Arizona municipal corporation


By: 

W. J. "Jim" Lane, Mayor

ATTEST:

  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM BY  
CITY ATTORNEY'S OFFICE:

  
John C. Shafer, III, Asst. City Attorney

CITY CONTRACT ADMINISTRATOR:

  
Steve Gelogamah, Tourism Development Coordinator

  
Suzanne Welch, Risk Management Director





# *Scottsdale*

2013-2014 DESTINATION MARKETING GUIDE



## *Dear Stakeholder:*

The City of Scottsdale's five-year tourism development and marketing strategic plan calls for the tourism and business community to support citywide and community-based initiatives that could impact our destination for years to come. In addition to maintaining the programs that provide a consistent return on investment and implementing new programs that will allow us to remain a competitive, world-class destination, the CVB also will seek new opportunities to support member businesses and community initiatives that enhance Scottsdale's tourism industry and unique character of place.

In the coming year, we will focus on a few key areas to drive new visitation and meetings groups to Scottsdale.

- New research will help the CVB determine how best to reach our customers and positively impact the destination's recovery.
- Seasonal marketing campaigns will push messaging around key time periods to strengthen destination awareness and exposure in our primary feeder markets.
- A new TV commercial and HD video footage will showcase Scottsdale's Sonoran Desert setting and the layered experiences that visitors can enjoy.
- Niche trade shows and client events will reach new meeting planners, travel agents, tour operators and media to familiarize them with Scottsdale and keep the destination top of mind.
- Additional familiarization tours and site inspections will expose more clients to Scottsdale for a firsthand experience of the destination.

As we've seen during the past few years, positive changes come from working together. Therefore, we urge you to connect with the CVB staff in order to find the programs that best work for you and to maximize your membership with us to ultimately increase your business.

Please feel free to contact us to share new ideas on how we can work together to most effectively market the Scottsdale area as a premier leisure and meetings destination.

Sincerely,



Rachel Sacco  
President & CEO



Michael Surguine  
Board Chairman

# About Us

## SCOTTSDALE CVB OVERVIEW

The Scottsdale Convention & Visitors Bureau is a 501(c)(6) nonprofit, private company that has contracts with the City of Scottsdale and Town of Paradise Valley to conduct destination marketing efforts on behalf of these municipalities. Combined, these entities provided approximately \$8 million of the CVB's \$11 million budget in 2012-13.

The CVB's primary source of revenue comes from bed tax collected by Scottsdale resorts and hotels and passed along to the City. Half of bed-tax collections come to the CVB for destination marketing, while the other half is invested by the City. The City's Tourism Development Commission (TDC) recommends to the Scottsdale City Council how to allocate the City's half of the bed-tax revenue, which is designated for tourism-related capital projects, special events and more. The City's relationship with the CVB is overseen by the City's Economic Development Department and the TDC.

The CVB also has served as the Town of Paradise Valley's destination marketing organization since 1987 and currently has an agreement with the Town through June 2015.

Another CVB public-revenue source includes the State of Arizona, via Proposition 302, where Maricopa County hotel operators and rental car companies collect and pass along an additional tax to the state that is then split and invested in numerous projects.

Additionally, the Salt River Pima-Maricopa Indian Community and the Fort McDowell Yavapai Nation invest in the CVB's marketing efforts. Partnering with neighboring communities allows the CVB to build the region's attractiveness in the eyes of our visitors, especially as these communities build tourism attractions and hotels along Scottsdale's borders.

The CVB has been a standalone company since July 2001 after having been an arm of the Scottsdale Area Chamber of Commerce for 15 years. The CVB has approximately 40 full- and part-time employees, along with a volunteer board of directors comprised of local industry leaders who represent a variety of segments from the hospitality and tourism industry.

## VISION

Our vision is to position Scottsdale as a world-class vacation, meetings and group travel destination by communicating an image that sells the uniqueness of the Scottsdale experience.

## MISSION

The CVB is committed to enhancing the economic base of Scottsdale and its partnering communities through a strong visitor, meetings and group travel industry. We achieve this by:

- Maintaining a leadership position in Arizona's hospitality and tourism industry
- Positioning Scottsdale in top-performing domestic and international markets to attract targeted, high-value visitors to our resorts and hotels
- Teaming with member businesses to create awareness and excitement among meeting planners, tour operators, travel agents and media in our established feeder markets, while building credibility and interest in our entry markets

#### **RETURN ON INVESTMENT**

In 2011-12, the Scottsdale CVB generated \$32 for the community for every \$1 invested in the CVB. In addition to tracking our return on investment, the CVB also evaluates the success of its programs and reports results regularly to our board of directors, the City of Scottsdale, TDC, the CVB's community partners, and our members.

#### **OUR PARTNERSHIP WITH YOU**

We at the Scottsdale CVB are honored to partner with our valued members, along with the municipalities and Native American communities for which we provide destination marketing services. We exist to position Scottsdale as one of the world's most desirable destinations for leisure and business travel, while creating programs that retain existing visitors and attract new customers to the greater Scottsdale area.

We invite you to review this destination marketing guide to learn how you can best partner with us at the Scottsdale CVB to extend our collective message and drive incremental tourism business to our community. We look forward to working with you in the coming year!

# Industry Outlook

## A LOOK BACK

Scottsdale's tourism industry is recovering more slowly than in many other destinations. All tourism industry measurements in Scottsdale were flat in 2012 compared to 2011, while the top 25 U.S. markets saw positive year-over-year growth. Scottsdale and the rest of metro Phoenix are positioned to continue their slow tourism growth in 2013-14.

Out of the top 25 U.S. markets in 2012, metro Phoenix ranked 23rd in occupancy, 16th in average daily rate (ADR) and 21st in revenue per available room (RevPAR). Scottsdale/Paradise Valley's figures, when compared to the top 25 U.S. markets, placed the area 8th in occupancy, 4th in ADR and 5th in RevPAR.

SCOTTSDALE VS. OTHER U.S. MARKETS				
2012				
	Scottsdale/PV	Phoenix Metro*	Top 25 Markets	Total U.S.
Occupancy	61.9%	57.7%	68.6%	61.4%
ADR	\$151.16	\$105.97	\$129.25	\$106.10
RevPAR	\$93.51	\$61.17	\$88.67	\$65.17
Percent Change - 2012 vs. 2011				
Occupancy	0.7%	-0.4%	3.1%	2.5%
ADR	0.2%	1.9%	4.5%	4.2%
RevPAR	-0.9%	1.6%	7.8%	6.8%
Source: Smith Travel Research, Inc. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.				
*Includes Scottsdale/Paradise Valley				
Scottsdale Recovery Sluggish: Scottsdale-area hotels and resorts continue to outperform other area properties as well as the average U.S. hotel; however, our year-over-year growth was stagnant while other destinations experienced positive growth.				

During the past few years, Scottsdale has encountered several challenges, including recession-related downturns in hotel performance; companies reducing or eliminating their meetings activity, particularly in warm-weather cities, due to the AIG effect; and backlash from groups and leisure travelers over Arizona's immigration and gun laws.

The growth Scottsdale experienced in 2010 and 2011 stalled in 2012.

SCOTTSDALE TOURISM INDUSTRY MEASUREMENTS			
	Occupancy	ADR	RevPAR
2012	61.9%	\$151.16	\$93.51
2011	61.4%	\$150.88	\$92.70
2010	60.2%	\$136.97	\$82.50
2009	56.0%	\$139.28	\$78.03
2008	61.0%	\$172.26	\$105.05
2007	66.6%	\$170.59	\$113.58
2006	69.9%	\$164.19	\$114.72
Source: Smith Travel Research, Inc. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.			
Tourism Growth: Scottsdale's tourism industry has seen slow growth during the past few years.			

While group business in Scottsdale performed better than the leisure market in 2012, meetings have not recovered. Before the recession, meetings accounted for about 51 percent

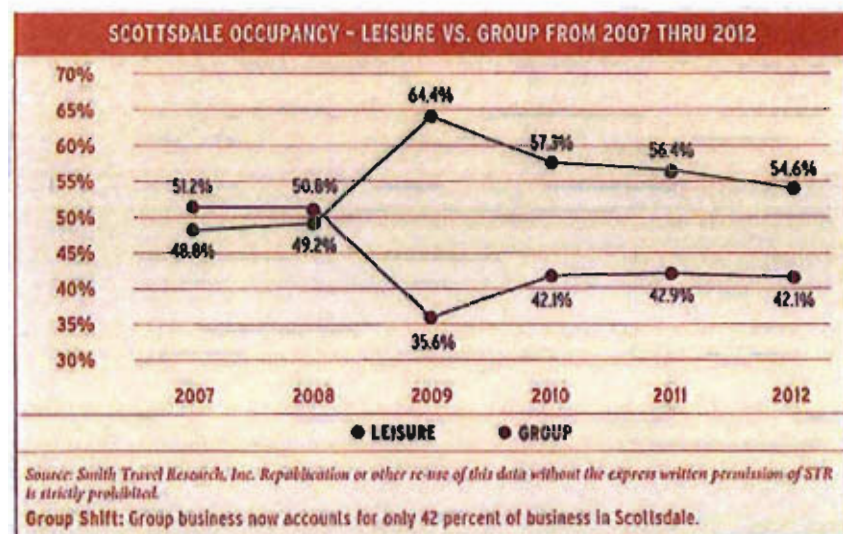


of occupancy at Scottsdale/Paradise Valley resorts and full-service hotels with more than 5,000 square feet of indoor meetings space. After hitting an all-time low of 36 percent in 2009, group business grew to 42 percent in 2012, while leisure business now accounts for nearly 55 percent of occupancy at these properties.

SCOTTSDALE LEISURE VS. GROUP BUSINESS			
Percent Change - 2012 vs. 2011			
	Occupancy	ADR	RevPAR
Leisure	1.9%	-13%	0.6%
Group	2.1%	2.8%	5.0%

Source: Smith Travel Research, Inc. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited.

Group Recovery: In Scottsdale, the group market performed much stronger than leisure seeing greater recovery year-over-year.



#### 2013-14 OUTLOOK

While Scottsdale is likely a few years away from approaching both the 70 percent hotel occupancy recorded in 2006, and the \$172 average daily rate that was posted in 2008, stronger leisure business combined with gradual meetings growth should allow Scottsdale to post a modest revenue gain in 2013-14.

There also are numerous opportunities to increase tourism to Scottsdale and enhance the destination's amenities and attributes over the next few years. The following projects have the potential to greatly impact Scottsdale's tourism industry by drawing national and international attention, attracting new events, increasing visitation and improving the Scottsdale experience for leisure and meetings visitors.

- **Tony Neissen Equestrian Center at WestWorld of Scottsdale:** The Scottsdale City Council approved a \$42.8 million expansion of the Tony Neissen Equestrian Center at WestWorld. The project will expand, enclose and climate control the Equidome at WestWorld in order to accommodate events year-round.
- **Scottsdale Museum of the West:** The 40,000-square-foot facility will be built in downtown Scottsdale at Marshall Way and Second Street. It will include a sculpture garden and a small outdoor performance area. The museum is expected to support the downtown arts district and enhance Scottsdale's national reputation while attracting new visitors to the area.

- **Transportation:** National research continues to show that Scottsdale ranks poorly for good local transportation, especially in relation to competitive destinations. To combat this city-wide issue, the CVB, City and local business community continue to work together on the Hospitality Trolley to serve visitors during high season. The Hospitality Trolley is an asset to Scottsdale as a competitive advantage, and allows visitors to more easily explore the city to frequent retail stores, restaurants and attractions. In addition, it helps alleviate parking demands, as well as traffic congestion and pollution.
- **Tourism-Related Capital Projects & Special Events:** The City of Scottsdale's half of bed-tax collections also could help support attracting new special events and building new tourism-related capital projects such as the Desert Discovery Center.

#### TOURISM'S IMPORTANCE TO SCOTTSDALE

- Tourism is one of Scottsdale's largest industries.
- Scottsdale hosted 8.6 million visitors in 2010.
- These visitors generated an economic impact of \$2.9 billion, as well as \$35.4 million in sales- and bed-tax revenue for Scottsdale.
- One in every eight jobs in Scottsdale is directly related to tourism.

Sources: Scottsdale/Paradise Valley Tourism Study, Visitor Statistics, March 2012; City of Scottsdale.

Revenue Generator: Tourism is a vital part of our local economy, generating jobs and one-fourth of all privilege-tax revenue collected by the City.

#### NATIONAL TOURISM OUTLOOK

The following trends could impact travel in the coming year:

- **Leisure Travel:** U.S. Travel's latest forecast calls for a 1.2 percent increase in domestic leisure travel in 2013 and another 1.7 percent increase in 2014. Unity Marketing's new "Affluent Consumers & Their Travel Plans for 2013" report found that 45 percent of these consumers plan to spend more on their travels in 2013 as compared with 2012. The most in-demand experiences for luxury travelers are relaxation and stress reduction, sightseeing, and fine dining and food/wine.
- **Business Travel:** Travel Leaders Group reports that most of its business-focused travel agents are forecasting that clients will be traveling as much or more than last year; less than 10 percent say clients will travel less. U.S. Travel's forecast for domestic business travel volume is a 0.9 percent increase in 2013, followed by a gain of 1.2 percent in 2014.
- **Meetings:** The long-awaited meetings industry recovery is finally underway, shifting the negotiating advantage away from planners to hotels, according to a new study from Colliers PKF Hospitality Research. According to PKF, the highest percentage of planners since 2007 believe the current year will be healthier than the previous year. The vast majority of planners stated that the number of meetings and exhibitions they organize in 2013 will equal the number they planned in 2012. Plus, 46 percent will enjoy larger budgets than last year, and many expect increases in attendance. But 72 percent expect to pay more for rooms in 2013, and booking windows will not change; many believe the shorter booking windows of recent years are the "new normal." Four trends for 2013 include: more local meetings as companies shift away from global to national, or national to regional meetings; security and stability impacting destination choice; meetings approvals becoming more challenging; and increasing engagement via social media.
- **Air Travel:** The Boyd Group International predicts a 1.5 to 2 percent drop in airline passenger traffic this year. Overall, U.S. carriers expect to add only minimal supply to the domestic market, positioning them to maintain a degree of pricing power.

In 2012, Phoenix Sky Harbor International Airport experienced a 0.4 percent decline in passengers over 2011, as well as 2.6 percent fewer landings and takeoffs. Seat capacity also was down 1.6 percent. According to the U.S. Department of Transportation, the average U.S. domestic airfare was \$367 in third quarter 2012. The average Phoenix airfare, in comparison, was \$323 – \$44 less than the U.S. average. With the merger of US Airways and American Airlines, future impacts to Phoenix are possible. However, airline industry analysts say it will take years before it becomes clear whether the new airline will close or diminish the Phoenix hub.

- **Lodging Industry:** Smith Travel Research (STR) has updated its 2013 forecast: occupancy is expected to rise 0.8 percent to 61.9 percent, ADR is forecasted to increase 4.9 percent to \$111.27, and RevPAR is expected to grow 5.7 percent to \$68.86. Supply is forecasted to rise 1.0 percent, and demand is projected to be up 1.8 percent. STR's forecast for 2014 includes increases in all metrics: supply (+1.5 percent), demand (+2.8 percent), occupancy (+1.3 percent), ADR (+4.6 percent) and RevPAR (+6.0 percent). PricewaterhouseCoopers (PwC) also expects lodging demand to increase in 2013 (+1.8 percent), which combined with restrained supply growth of 0.8 percent, it is anticipated to boost occupancy levels to 62.0 percent, the highest since 2007. While hotels across the spectrum of price tiers are expected to benefit from this recovery, hotels in the higher-priced segments are expected to experience the strongest gains. PwC expects RevPAR growth of 5.9 percent in 2013.
- **International Travel:** International tourist arrivals grew by 4.0 percent in 2012 to reach 1.035 billion, surpassing the 1.0 billion mark for the first time, according to the UNWTO. In the United States, international travelers account for 15 percent of total travel spending in the country, up from 14 percent in 2011. The Office of Travel and Tourism Industries predicts that the United States can expect 3.6 to 4.3 percent average annual growth in travel and tourism during the next five years. President Obama set a goal of attracting 100 million international travelers to the United States by 2021. Since then, significant progress has been made through both an Executive Order establishing a National Travel and Tourism Strategy and through a series of improvements to visa processes.

*Sources: U.S. Travel Association's U.S. Travel Outlook; Phoenix Business Journal; Phoenix Sky Harbor International Airport*



## *2013-14 Strategic Initiatives*

Each year, the Scottsdale CVB works to maintain the programs that provide a consistent return on investment while implementing new programs that will allow us to remain a competitive, world-class destination. Following are several areas that the CVB will focus on for the coming year to drive new visitation and meetings groups to Scottsdale. Many of these initiatives correspond with the City's Five-Year Tourism Development and Marketing Strategic Plan.

### **RESEARCH**

Research is critical to the success of the CVB's marketing and sales initiatives, ensuring our programs are cost-efficient and effective in attracting the right business to Scottsdale.

- **Market Research & Focus Groups:** Scottsdale's recovery from the recession has been slower than most other top U.S. destinations. To best understand the market influences affecting the destination, the CVB will explore various market research studies, including focus groups to determine visitors' perceptions of Scottsdale as a travel destination and their motivations to visit the area. During these focus groups, the CVB also will test future marketing concepts to obtain feedback. The results of this research could impact the bureau's future messaging to potential visitors.
- **Website Usability:** Last year, the CVB revamped the ExperienceScottsdale.com website to improve the user experience on tablet devices and mobile phones. The redesign also simplified navigation and provided better access to a wealth of content. While the site has been performing well since the transition, website usability testing will provide a better understanding of how users interact with the site, how to further improve navigation and where content can be enhanced.
- **Golf Research:** In 2012, the CVB launched a new marketing campaign to promote Scottsdale as the "World's Finest Golf Destination" in partnership with PGA Tour pro Brandel Chamblee. This year, the CVB will partner with our golf course members to embark on golf research to better track changes in this important industry. This research will analyze monthly performance of our local courses to monitor trends as well as analyze the value of Scottsdale's golf visitors to better target individual and collective marketing initiatives.

### **MESSAGING**

The CVB brands Scottsdale as a world-class travel destination for high-value leisure and group meetings customers. The majority of the CVB's marketing messages will run in Scottsdale's top feeder markets, including New York, Chicago, San Francisco, Los Angeles and Canada.

- **Seasonal Campaigns:** To strengthen destination awareness and exposure in key feeder markets, the CVB will develop seasonal marketing campaigns that use a variety of mediums – such as TV, outdoor, print, direct mail and online – to push messaging around key destination time periods. These targeted campaigns will drive consumers online to learn more about seasonal events, activities and specials. Messaging will be created around fall/holidays (September through mid-January), warm weather (mid-January through March), and spring (March through May). Summer messaging will target locals and the Los Angeles area to encourage stays from June through August.
- **Travel Motivators:** Marketing messages also will focus on Scottsdale's key drivers, including special events, golf, arts and culture, spa, and outdoor adventure to address potential visitors' points of passion and travel motivators.
- **Creative Outlets:** The CVB will look for unique and creative ways to cut through the clutter of travel advertising and marketing, such as our New York subway wraps,



which drew local and national attention. We will continue to seek effective, yet creative, outlets for the Scottsdale message to reach our target audiences.

#### IMAGES OF SCOTTSDALE

Portraying Scottsdale in the best light possible supports the destination's brand cachet, distinguishes the area from competing cities, and attracts customers to Scottsdale.

- **TV Commercial:** The CVB's use of TV commercials during the past few years has proved an effective marketing tool. Cable TV ads provide a broad reach to a targeted audience. In order to best showcase Scottsdale's Sonoran Desert setting and compete with other destinations, the CVB will update its nearly four-year-old TV commercial. The new commercial will complement the CVB's Richly Sonoran brand campaign, convey an authentic sense of place, highlight the destination's Sonoran Desert setting, and integrate destination drivers that play an integral part in communicating the layered experiences that visitors can enjoy in Scottsdale.
- **HD Video Footage:** Top TV stations and media outlets throughout the world use HD video footage. In order for Scottsdale to be considered for editorial coverage in these channels, the CVB has to provide HD video showcasing the destination. The CVB will upgrade its stock video footage so that all images are available in the HD format for use in these mediums. This footage will be essential for Scottsdale leading up to and during the 2015 Super Bowl, which will be played in Arizona.

#### NEW RELATIONSHIPS

Building relationships is essential to keeping Scottsdale top-of-mind with meeting planners, travel agents, tour operators and media. It's also important in generating brand awareness of the destination with key customers.

- **Travel Blogs:** The traveling public increasingly looks to blogs and social media sites for recommendations on where to travel and what to do in a destination. The CVB will make new connections with some of the most influential travel bloggers by hosting a familiarization tour and actively engaging on these social media sites.
- **Niche Trade Shows:** Pharmaceutical, medical, financial and insurance meetings are a good fit for Scottsdale with strong potential for growth. To build new relationships with key clients in these areas, the CVB will attend five additional trade shows and events that cater to meeting planners in these segments.
- **Client Events:** The CVB encourages clients to experience the destination firsthand. However, when clients are not able to visit Scottsdale, the CVB brings the destination to them via client events. To maximize our time and resources in key markets, the CVB will coordinate multi-department client events in partnership with our members. These events have proved successful in building relationships with important customers. In addition, the CVB will host new client events for meeting planners in Canada as we continue to expand our network in this important market.
- **Filling Need Periods:** To fill Scottsdale resort and hotel rooms during need periods, the CVB will build upon last year's program and invest in additional resources. We will continue to strategically target groups that are meeting in competitive destinations during our need periods in order to introduce them to Scottsdale as a meetings option.

#### FIRSTHAND EXPERIENCES

Customers who experience Scottsdale firsthand are more likely to book a meeting, bring a tour group or write about the destination. Hosting meeting planners, travel agents, tour operators and media is a fundamental component of the CVB's program of work. The CVB will further invest in the highly successful Site See & Fly Free sales program as well as devote further resources to new familiarization tours (FAMs) and additional site inspections to attract new customers to Scottsdale. Niche FAMs are increasingly important as customers seek accommodations and amenities tailored to their needs.

#### COMMUNITY PARTNERS

The CVB will seek new opportunities to support member businesses and community initiatives that enhance Scottsdale's tourism industry and unique character of place, such as marketing downtown arts events nationally or connecting businesses with similar interests in creating new visitor experiences that could boost our destination's appeal.

# Marketing

## OVERVIEW

The Scottsdale Convention & Visitors Bureau's marketing department brands Scottsdale as an upscale leisure and meetings destination through the use of advertising, high-end collateral and publications, online and email outreach, event marketing and sponsorships. The department manages advertising, fulfillment, online, creative services and visitor services.

## TARGET AUDIENCES

The CVB strategically targets the consumer, meetings, and tour and travel markets based on comprehensive research.

### GEOGRAPHIC TARGET MARKETS

Primary: Canada (Calgary, Edmonton, Toronto, Vancouver), Chicago, Los Angeles, New York, San Francisco  
Secondary: Denver, Phoenix

Target Markets: Based on our research, the CVB's marketing programs will be targeted to the highest-performing and highest-potential feeder markets.

### SCOTTSDALE LEISURE TRAVELER - AVERAGE VISITOR

Median age ..... 58 years old  
Median household income ..... \$100,000  
Average length of stay ..... 5.9 nights  
Average daily expenditures (hotel guests) ..... \$400  
Percentage of overnight stays in a hotel/resort ..... 50%  
Top activities (rank order): Dining, Shopping, Visit Downtown Scottsdale, Day Trips, Western Culture & Attractions, Native American Arts & Culture, Museums, Art Galleries, Outdoor Desert Activities, Nightlife, Overnight Trips, Golf  
Source: City of Scottsdale Visitor Inquiry Study, August 2012

Our Visitor: The profile above reflects our average leisure visitor who requests information from the Scottsdale CVB.

### SCOTTSDALE LEISURE TRAVELER - LUXURY VISITOR

Median age ..... 46 years old  
Median household income ..... \$144,000  
Average length of stay ..... 2.8 nights  
Average daily room expenditures ..... \$254  
Average daily on-property expenditures (including room)\* ..... \$408  
Visited the city more than once in a year ..... 30%

\*Includes on-property expenditures only and does not include daily off-property expenses.

Source: Scottsdale Convention & Visitors Bureau's Visitor Industry Customer Analysis 2011

High-Value Visitor: The CVB's marketing campaigns target affluent travelers who spend more in Scottsdale.

## BRAND POSITION

The CVB positions Scottsdale as an upscale resort destination offering outstanding weather, spas, golf, arts, outdoor adventure, shopping, dining and nightlife. The CVB's brand campaign showcases the unique and surreal quality of the Sonoran Desert by incorporating vibrant imagery, rich textures and abstract scenes that capture the unique spirit of Scottsdale's target audience.





Experience Scottsdale  
Discover the beauty of Scottsdale, Arizona. A world of luxury, culture, and adventure awaits you in the heart of the desert. Visit us today at [ExperienceScottsdale.com](http://ExperienceScottsdale.com)



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Samples of current brand ads

## PROGRAMS

Many marketing programs are open for CVB member participation. For specific opportunities, refer to the online schedule.

### Media Plan

Each year, the CVB creates a media plan based on extensive research and strategic planning to align Scottsdale's luxury message with the appropriate mediums to target our niche audiences. By buying regional media, the CVB is able to most effectively reach potential visitors in key feeder markets. To extend the reach of Scottsdale's messages and maximize individual branding potential, the CVB encourages members to purchase ad space near CVB advertising at preferred member rates.

### Consumer Promotions

Promotions add value to advertising campaigns, highlight events, and create relationships with potential visitors. Promotions often include a giveaway and are promoted through an "enter-to-win" web page, print ads, email, direct mail or social media.

### Relationship Marketing

We maintain permission-based databases for leisure travelers, meeting planners and travel professionals. These databases are used for direct mail and email to keep Scottsdale top of mind with people who have already visited, expressed an interest in visiting, or fit the profile of our target audience.

### Publications & Promotional Materials

The CVB produces a variety of publications including the *Experience Scottsdale* visitor guide, the primary fulfillment piece for leisure travelers. Other publications available to visitors include the *Sonoran Desert Discovery Guide*, as well as online downloadable guides such as the Western List and Kids' List. To assist meeting planners, travel agents and tour operators, the CVB produces the *Discover Scottsdale* meeting and travel planners guide and offers high-quality promotional materials that can be used to sell Scottsdale, including brochures, maps, posters, photos and videos.

### Online Marketing & Social Media

[ExperienceScottsdale.com](http://ExperienceScottsdale.com) is the CVB's primary website. As part of our online marketing strategy, pay-per-click advertising and search marketing programs drive visitors to the CVB website. We also maintain an active presence on social media sites such as Facebook, Twitter, YouTube, Pinterest and Instagram to further promote Scottsdale. In addition, the CVB uses videos, a mobile website and interactive guides to provide greater access to information online.

### Event Marketing

The CVB partners with the City to support special events by incorporating them into our advertising, visitor guides, website, emails and social media outlets to help drive incremental visitation to Scottsdale during their event. The CVB also provides visitor services at several events. In addition, the CVB works with the City and special event venues to secure new events that fill room nights and attract new customers to Scottsdale.

### Visitor Services

The CVB operates a full-service visitor center at the Galleria Corporate Centre and provides the services of a concierge at Scottsdale Fashion Square. These locations provide visitors with destination information and personal help from visitor center concierges. In addition, the Galleria location displays CVB member brochures. The CVB regularly visits concierges at area hotels to provide CVB publications and update them on Scottsdale amenities. Members can request visitor guides from the CVB to distribute to guests.

# Communications

## OVERVIEW

The Scottsdale Convention & Visitors Bureau's communications department garners positive publicity for Scottsdale as a premier travel and meetings destination. Through the voices of credible journalists, the CVB is able to increase awareness for Scottsdale, position it as a world-class destination, and ultimately increase demand. In markets where advertising dollars are scarce or nonexistent, communications programs are the most important tactic used to generate awareness for Scottsdale.

## TARGET AUDIENCES

Targeted, positive media exposure in print, broadcast and online mediums frequently generates interest in Scottsdale.

### GEOGRAPHIC TARGET MARKETS

Domestic: Chicago, Denver, Los Angeles, New York, Phoenix, San Francisco

International: Canada, France, Germany, Mexico, United Kingdom

Target Markets: The CVB's communications programs will be focused in the aforementioned markets, which are key to reaching potential visitors and important media outlets.

## PROGRAMS

Many communications programs are open for CVB member participation. For specific opportunities, refer to the online schedule.

### Media Missions & Trade Shows

The CVB targets members of the press in key cities with one-on-one editorial meetings, receptions and other special events. These missions allow the CVB to target high-caliber journalists with strategic messages and build relationships. When possible, the CVB also attends travel trade shows to establish and further develop media relationships as well as share story ideas.

### Media Familiarization Tours

The CVB encourages qualified journalists to experience Scottsdale firsthand. Media who visit typically produce better coverage and write more often about the destination than those who have not visited. The CVB facilitates these individual and group visits by providing story ideas and coordinating customized itineraries with the support of our members, who provide accommodations, meals and activities. Group tours are often produced around specific drivers or special events to attract niche media.

The CVB also hosts a bi-annual travel writer conference, Travel Classics West, which provides an additional way to introduce top editors and freelance writers to the destination. When the conference is in another city, a CVB representative attends as a sponsor to maintain and develop media relationships.

### Media Resources

The CVB's resources provide story ideas, enhance editorial coverage and help the CVB to build relationships with media.

- **Press Kits:** The CVB's general and golf-specific press kits are used for media fulfillment. Press kits are available on flash drives and online; some materials are available in other languages.
- **Press Releases:** Throughout the year, media are targeted with news and feature releases, which often incorporate information submitted by CVB members.

- **Customized Pitches:** Customized pitches allow the CVB to tailor the message to a publication and its audience in order to secure thorough, high-value coverage.
- **Destination Images:** The CVB provides media with video footage and images to enhance Scottsdale editorial.
- **Scottsdale Travel News:** This monthly e-newsletter updates more than 4,800 domestic and international media on what's new in Scottsdale. Niche versions are distributed to media covering golf, culinary, arts and culture, and meetings; while international versions are sent periodically in Spanish, French and German.
- **Scottsdale Sun News:** This printed newsletter, which is sent in March and September, provides destination information for travel agents, tour operators, meeting planners, and the media that cover these markets.

#### **Public Relations Representatives**

The CVB contracts with international public relations representatives in Canada, the United Kingdom and Germany to have a more consistent presence in these markets. The CVB also contracts with a domestic agency with offices in New York and Los Angeles to help us further penetrate these media-rich cities. In addition, the CVB partners with a local golf-focused marketing and public relations agency. Our representatives help build relationships with media in their respective markets, respond to media requests, distribute press materials, coordinate media visits to Scottsdale, and advise the CVB regarding opportunities to further our positioning.

# *Convention Sales & Services*

## **OVERVIEW**

The Scottsdale Convention & Visitors Bureau's convention sales and services department provides destination education to meeting planners and assists with securing space and services for meeting and incentive programs.

## **TARGET AUDIENCES**

In Scottsdale, an estimated 40 to 50 percent of all resort and full-service hotel business results from meetings-related travel.

### **Corporate Meetings**

More than half of meetings booked by the Scottsdale CVB are from the corporate sector, including healthcare, high tech, financial, manufacturing, insurance, pharmaceutical and retail.

### **Association Meetings**

Association meetings include major conventions, as well as board meetings, training/educational seminars, professional/technical meetings, and regional/local chapter meetings. These meetings account for nearly a quarter of the CVB's bookings.

### **Niche Meetings**

Niche markets include sports and the SMERF market (social, military, educational, religious and fraternal meetings). These groups, which account for a quarter of the CVB's bookings, often are looking for value when selecting a meetings destination, which makes them a good fit for Scottsdale during the shoulder and summer seasons.

### **Business Decision Makers**

Each of the above target audiences are influenced by high-level decision makers within their own organizations. The CVB's marketing and sales teams work collectively with the CVB's board of directors and community partners to attract these executive decision makers to experience Scottsdale firsthand with the ultimate goal of earning a spot on their coveted consideration list for future meetings business.

### **Third-Party Planners**

Meetings from third-party planners account for nearly half of the CVB's bookings. Much of this can be attributed to the CVB's relationships with third-party meetings services companies such as HelmsBriscoe, ConferenceDirect and Experient.

## **PROGRAMS**

Many convention sales and services programs are open for CVB member participation. For specific opportunities, refer to the online schedule.

### **Generating Leads**

The CVB customizes all meeting planners' requests for accommodations, meeting space and other types of services and does not produce a convention calendar. This not only protects the privacy of our clients, but also ensures that only those companies that fit their needs will be in contact with them. The CVB works closely with both clients and members to ensure a great match between the needs and wants of a client and the products and services of our members. In addition to leads generated from our own efforts, the CVB also has agreements with Cvent, Starcite and DMAI's EmpowerMINT to generate incremental leads for the destination.

### **Trade Shows & Sales Calls**

The CVB connects face-to-face with meeting planners at select trade shows, which typically generate immediate leads for CVB members. Often in conjunction with a trade show, the CVB will conduct sales calls to connect with additional planners. Members frequently are able to partner with the CVB for these events, increasing Scottsdale's presence in a market.



#### **Familiarization Tours & Site Inspections**

To give clients a firsthand experience of Scottsdale, the CVB conducts two large meeting planner familiarization tours (FAMs) – the Sunational FAM in spring and the Explore the American Southwest FAM in fall. In addition to these larger FAMs, the CVB hosts smaller niche FAMs. When possible, FAMs are produced around special events. These FAMs provide an opportunity for members to showcase their properties and services to highly qualified meeting planners who are actively considering Scottsdale for future programs. In addition to FAMs, smaller and more customized site inspections are coordinated throughout the year for qualified clients. The CVB's "Site See & Fly Free on Us" program encourages planners with an active piece of business to fly free on us to experience a customized site tour to see firsthand what makes Scottsdale one of the top meetings destinations.

#### **Client Outreach**

Clients are contacted during the course of the year via direct mail, phone calls and emails to generate awareness, keep Scottsdale top-of-mind, and update customers on new amenities and products in Scottsdale.

#### **Advertising & Public Relations**

The CVB also reaches meeting planners through advertising in predominant trade publications, through email blasts and in online RFP tools such as Cvent and Starcite. In addition, the convention sales and communications teams work together to keep Scottsdale top of mind with media from key meetings publications.

#### **Convention Services**

By efficiently matching the planners' requests for destination management services, off-property venues, speakers, wholesale gifts and other types of services with member businesses, the CVB streamlines the planning process and makes the planner's job easier. The CVB also helps planners boost attendance for their programs by providing complimentary materials such as photos, videos, brochures, posters, visitor guides and welcome letters.

#### **Convention Sales Representatives**

The CVB contracts with a meetings agency in Canada to augment the CVB's group sales efforts in one of Scottsdale's most important international markets. The agency assists the CVB in generating incremental leads from Canadian corporations and associations not currently in our database, as well as developing programs to reach targeted vertical and geographic markets in Canada.



# *Tourism*

## OVERVIEW

The Scottsdale Convention & Visitors Bureau's tourism department provides destination education to travel agents and tour operators to help them best capture the Scottsdale experience for their clients and to ensure that Scottsdale stands out as a unique destination in tour operator product inventories throughout the world. The department also promotes Scottsdale to international meetings groups.

## TARGET AUDIENCES

The CVB's tourism programs are targeted to tour operators, airline vacation divisions, online tour operators and travel agents in the following markets: United States, Canada, Mexico and Europe.

### United States

The top 10 revenue-producing markets for domestic visitors to Scottsdale are New York, San Francisco, Chicago, Los Angeles, Seattle, Denver, Washington D.C., Philadelphia, Minneapolis, and Dallas-Fort Worth. The average visitor stays for 5.9 nights and spends \$400 per person per day. Favorite activities include dining, shopping, visiting downtown Scottsdale, day trips, and Western culture and attractions.

### Canada

Canada is Arizona's top-grossing international market by overall expenditures. Because more of the Canadian workforce is self-employed and on contract, they are not forced to take vacation only during Christmas break, March break or summer. Therefore, many of Canada's residents look to the United States for a quick escape many times during the year. Canadian visitors traveling to Arizona come primarily by air (64 percent), but 34 percent drive to Arizona. Based upon direct deplanements by departure city, visitors most often come from Calgary (34 percent), Vancouver (22 percent), Edmonton (21 percent) and Toronto (14 percent).

### Mexico

Mexico is the second highest source of international visitors to the United States. Favorite vacation activities of the Mexican traveler include shopping, dining and visiting historical places. Their peak travel times are the week of Easter, months of July and August, and the Christmas holiday. Travel packages that include added value such as complimentary nights, complimentary breakfast or room upgrades are most popular. Visitors from Mexico to the United States stay an average of 3.8 days and spend an average of \$1,413 per trip. In 2011-12, 21 of Mexico's 80 tour operators included Arizona in their U.S. product offerings.

### Europe

Scottsdale's key target markets in Europe are the United Kingdom, Germany and France. Visitors from these countries tend to spend more and stay longer, and often visit Scottsdale during the summer months. European visitors come to Arizona for the wide open spaces and natural attractions.

*Sources: Arizona Office of Tourism, City of Scottsdale, Scottsdale Convention & Visitors Bureau*

## PROGRAMS

Many tourism programs are open for CVB member participation. For specific opportunities, refer to the online schedule.

### Generating Leads

The tourism department generates leads for CVB members. Once a tour operator has established a relationship with a Scottsdale hotel, the CVB introduces new itinerary ideas to enhance the experience for customers and hopefully increase the number of nights booked for a Scottsdale vacation.

#### **Trade Shows & Sales Missions**

The CVB connects face-to-face with travel professionals at select trade shows, which generate immediate leads for CVB members. In addition, the CVB conducts sales missions, client events and educational seminars in key markets to cultivate relationships with new clients and meet with long-term clients. During one-on-one client meetings, the CVB reviews travel catalogues to ensure that Scottsdale hotels and resorts are properly featured within a Scottsdale-branded section, as well as the destination being prominently featured in the catalogue and possibly even highlighted on the cover.

#### **Familiarization Tours & Site Inspections**

The CVB hosts familiarization tours (FAMs) for travel professionals to increase their overall knowledge of the destination by experiencing it firsthand. These FAMs and site inspections provide an opportunity for members to showcase their properties, services and events to travel professionals who are actively seeking new product to sell.

#### **Product Training Seminars**

The CVB conducts in-person and online product training sessions for travel industry clientele and reservation agents who sell Scottsdale hotels and activities. These seminars are a valuable tool for increasing room-night bookings to the area – the more information each agent absorbs, the easier the destination is to sell to the leisure traveler.

#### **Relationship Marketing**

Tourism clients are contacted during the course of the year via direct mail and email to generate awareness, keep Scottsdale top-of-mind, and update customers on new amenities and products in Scottsdale. Seasonal package promotions are emailed to travel agents to promote fall, spring and summer specials from CVB members.

#### **Trade Cooperative Marketing**

To drive more travelers to purchase Scottsdale vacation packages, the CVB partners with international and domestic tour operators to create trade cooperative marketing campaigns in their respective cities and countries. These promotions are organized around seasonal travel packages or a Scottsdale vacation contest. The CVB matches the nominal cost incurred by the tour operator to execute the promotion and in turn receives exposure in every medium of the promotion (e.g. print ads, direct mail, in-store displays).

To gain additional exposure, the CVB cultivates affinity marketing partnerships with companies outside the tourism industry who share a similar target audience. These layered campaigns often include in-store promotions, magazine ads and editorial, direct mail, email and catalogues. The cooperative efforts benefit the CVB and the partnering company, as well as travel agents who are often included as a call-to-action for those interested in booking a Scottsdale vacation. Collected consumer information also allows the CVB to provide additional information to potential visitors.

#### **Services**

The CVB also helps travel professionals to sell Scottsdale by providing complimentary materials such as photos, videos, brochures, maps, posters, visitor guides and itinerary ideas. Many travel professionals include Scottsdale promotional pieces with itineraries for clients who have purchased a Scottsdale vacation.

#### **Tourism Representatives**

The CVB works with trade representatives in the United Kingdom, Germany, Canada and Mexico. Our representatives respond to travel industry requests, participate in trade shows, and conduct educational seminars and sales missions in an effort to promote tourism to Scottsdale.

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### COMMUNICATIONS

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### TOURISM & MEMBERSHIP

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## BOARD OF DIRECTORS

### EXECUTIVE COMMITTEE

**Michael Surgulne, Chairman**  
*Sanctuary on Camelback Mountain  
Resort and Spa*

**Jack Miller, Vice Chair**  
*Fairmont Scottsdale Princess*

**Andrew Chippindall**  
*Hotel Valley Ho*

**John Holdsworth**  
*TLX Inc.*

**\*Mike Kling**  
*Gammage & Burnham*

**Peter Rice**  
*Hwytt Regency Scottsdale Resort  
& Spa at Gainey Ranch*

**\*Rachel Sacco**  
*Scottsdale Convention & Visitors Bureau*

### BOARD MEMBERS

**Steve Ast**  
*The Boulders Resort*

**Kate Birchler**  
*Macerich*

**Don Carson**  
*Don & Charlie's Restaurant*

**Del Cochran**  
*Grayhawk Golf Club*

**Councilman Paul Dembow**  
*Town of Paradise Valley*

**Margaret Dunn**  
*Ollie the Trolley*

**Kathleen Glenn**  
*Tourism Development Commission Chair /  
Hello Arizona!*

**Steve Helm**  
*Scottsdale Fashion Square*

**C.A. Howlett**  
*Community Member*

**Alan Klein**  
*the Saguaro*

**Jeff Lessig**  
*SunRidge Canyon Golf Club*

**Blessing McAnlis-Vasquez**  
*Salt River Pima-Maricopa Indian Community*

**Councilman Dennis Robbins**  
*City of Scottsdale*

**Arnold Roy**  
*Frank Lloyd Wright's Taliesin West*

**Dan Schweiker**  
*China Mist Brands*

**Tom Silverman**  
*Chaparral Suites Scottsdale*

**Fred Unger**  
*Spring Creek Development*

*\*Ex-officio Member*

## COMMUNITY PARTNERS



### SCOTTSDALE TOURISM DEVELOPMENT COMMISSION

**Kathleen Glenn, Chair**  
*Hello Arizona!*

**Ace Bailey**  
*Ultimate Art & Cultural Tours*

**Tom Enders**  
*Troon Golf*

**Carl Grupp**  
*Royal Palms Resort and Spa*

**Ren Hirose**  
*W Scottsdale Hotel & Residences*

**Robb McCreary**  
*Talking Stick Resort*

**David Scholefield**  
*Fairmont Scottsdale Princess*

**Steve Gelogamah**  
*City of Scottsdale (staff liaison)*

### CITY OF SCOTTSDALE

**Mayor Jim Lane**  
**Councilwoman Suzanne Klapp**  
**Councilwoman Virginia Korte**  
**Councilman Robert Littlefield**  
**Councilwoman Linda Milhaven**  
**Councilman Guy Phillips**  
**Councilman Dennis Robbins**  
**Interim City Manager Dan Worth**

### TOWN OF PARADISE VALLEY

**Mayor Scott LeMarr**  
**Vice Mayor Michael Collins**  
**Councilman Paul Dembow**  
**Councilwoman Pam Kirby**  
**Councilman Dan Schweiker**  
**Councilman David Sherf**  
**Councilwoman Lisa Trueblood**  
**Town Manager Jim Bacon**

### FORT MCDOWELL YAVAPAI NATION

**President Dr. Clinton Pattee**  
**Vice President Bernadine Burnette**  
**Councilman Paul Russell**  
**Councilwoman Pansy Thomas**  
**Secretary Selena Castaneda**  
**Treasurer Pamela Mott**  
**General Manager Philip Dorchester**

### SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

**President Diane Enos**  
**Vice President Martin Harvier**  
**Councilman Thomas Largo**  
**Councilman Ricardo Leonard**  
**Councilman Delbert Ray**  
**Councilwoman Lorna Ray**  
**Councilwoman Willardine Sampson**  
**Councilwoman Deanna Scabby**





FY 2013-14 Marketing Program of Work

Programs are subject to change based on availability, rate changes and budget adjustments.

- SCVS media placement plus member cooperative advertising opportunity
- SCVS media placement (no cooperative advertising opportunity available)
- SCVS online cooperative advertising opportunity

	July	August	September	October	November	December	January	February	March	April	May	June
<b>National Print</b>												
<b>APAR</b>												
Circ: 150,000				Full Page	Full Page		Full Page		Full Page			
<b>American Art Collector</b>												
Circ: 40,800							Full Page					
<b>Art Ed.</b>												
Circ: 38,800							Full Page		Full Page			
<b>Holiday Campaign</b>												
Circ: 180,000												
<b>Bills Transfer</b>												
Circ: 715,000				Full Page	Full Page + Adv		Full Page + Adv					
<b>National Geographic Transfer</b>												
Circ: 715,000				Full Page	Full Page			Full Page				
<b>Robb Report</b>												
Circ: 183,419				Full Page	Full Page	Full Page	Full Page	Full Page	Full Page			
<b>Survey</b>												
Circ: 325,000			Full Page		Full Page	Full Page	Full Page		Full Page			
<b>T&amp;A</b>												
Circ: 500,000								Full Page + Adv	Full Page + Adv			
<b>Flight - Southwest Airlines</b>												
Circ: 451,879 (3,400,000 readers/month)					Full Page	Full Page	Full Page					



[illegible]



	July	August	September	October	November	December	January	February	March	April	May	June
Imprerment: 742,857 / month				28 TV Spots BFI Overlay			28 TV Spots BFI Overlay	28 TV Spots BFI Overlay				
Weather Channel.com												
Imprerment: 750							Weather triggered online ads					
Denver	July	August	September	October	November	December	January	February	March	April	May	June
Weather Channel.com												
Imprerment: 750							Weather triggered online ads					
Little Rock												
Imprerment: 390,333/mo								Train wrap hit & bit				
Spurred Online												
Imprerment: 750							Outdoor Boards					
Los Angeles	July	August	September	October	November	December	January	February	March	April	May	June
CBS Outdoor												
Imprerment: 750								Outdoor Boards				Outdoor Boards
Tripod Adventure Show												
Advertiser: 20,000							SEA SCVS South					
Montebello	July	August	September	October	November	December	January	February	March	April	May	June
IS Imported												
CW: 50,800										WBNC AZ Section		
New York	July	August	September	October	November	December	January	February	March	April	May	June
Weather Channel.com												
Imprerment: 750							Weather triggered online ads					

	July	August	September	October	November	December	January	February	March	April	May	June
<b>NY Cable</b> Impressions: TBO				30 TV Spots RF Overlay			30 TV Spots RF Overlay					
<b>CBS MTA Outdoor</b> Impressions: TBO								Subway Wrap Int & Ext				
<b>Phoenix</b> Arizona Republic - Native Trails Circ: \$10,500/week							3 col. X 5"	3 col. X 5"	3 col. X 5"	3 col. X 5"		
<b>Arizona Republic</b> Circ: \$18,500/week												
							Spotlight on Tourism Double Truck Sundays & Zeros					
<b>Whom Magazine</b> Circ: 20,000							Full Page Haupt Trailer	Full Page Haupt Trailer	Full Page Haupt Trailer			
<b>San Francisco</b> San Francisco Chronicle Circ: 287,200				Full Page			Full Color Strip Int	Full Color Strip Int				
<b>RF Light Rail Wrap</b> Overhead: 1,145,174 4-wk			Train Wrap Int & Ext				Train Wrap Int & Ext					
<b>SF Cable TV</b> Impressions: TBO							30 TV Spots					
<b>Weather Channel.com</b> Impressions: TBO							Online ads	Online ads				
<b>Transit Advertisers Show</b> Attendance: 28,000								SCV's Booth				

	July	August	September	October	November	December	January	February	March	April	May	June
<b>Meetings</b>	July	August	September	October	November	December	January	February	March	April	May	June
<b>Association Meetings</b>												
Circ: 19,140				Full Page + Adr		Full Page + Adr						
<b>Contract</b>												
Circ: 6,300			Full Page			Full Page						
<b>Colloquies</b>												
Circ: 8,500				Full Page								Full Page
<b>Spills (Reports)</b>												
Circ: 15,600					Full Page	Full Page						
<b>Meetings &amp; Conventions</b>												
Circ: 50,000				Full Page		Full Page						
<b>Sports/Events</b>												
Circ: 10,000							Full Page					
<b>Golf</b>	July	August	September	October	November	December	January	February	March	April	May	June
<b>NOTE:</b>												
All paid golf programs are eligible for SCVS reverse golf ad-op program												
<b>California Golf News &amp; Travel</b>												
Circ: 56,000					Full Page			Full Page				
<b>Chicago District Golfer</b>												
Circ: 60,000					Full Page + Adr							
<b>California Area Golfer</b>												
Circ: 36,000		Full Page			Full Page		Full Page					
<b>FORE Magazine</b>												
Circ: 100,000							Full Page + Adr					



	July	August	September	October	November	December	January	February	March	April	May	June
<b>Golf Digest/Golf World</b> Circ: 225,000; Ctr: 200,880				CW	50	CW		CD & CW				
				Full Page + Adv	Full Page + 2 pgs Adv	Full Page + Adv		Full Page + 2 pgs Adv CW: Full Page + Adv				
<b>Golf Course Magazine</b> Circ: 75,800								Full Page	Full Page			
<b>Golf Magazine</b> Circ: 350,000				Full Page	Full Page + Adv			Full Page + Adv				
<b>Golf Channel</b>								120 Golf TV Spots New York Chicago Minneapolis Denver San Francisco				
<b>Golf Week</b> Circ: 66,800								Full Page + Adv	Full Page + Adv			
<b>LINKS Magazine</b> Circ: 70,800				Full Page				Golf Guide Poly (Reg)				
<b>Minnesota Golfer</b> Circ: 68,000				Full Page				Full Page				
<b>NCGA News</b> Circ: 180,880								Full Page + Adv				
<b>Texas A&amp;M Golfer</b> Circ: 45,000					Dallas, Houston & Mkt Count. 1/2 Page	Dallas & Houston 1/2 Page		Dallas & Houston 1/2 Page				
<b>Team Golf Magazine (Canada)</b> Circ: 400,000					Full Page							
<b>Tour Inn</b> NOT Official Tour Vehicle's Guide Circ: 400,000	July	August	September	October	November	December	January	February	March	April	May	June
								1/2 Page				

	July	August	September	October	November	December	January	February	March	April	May	June
<b>Online</b>												
<b>Facebook</b>												
Impressions: TBD							Online Ads					
							Targeting Chicago & New York					
<b>Media</b>												
Impressions: TBD								Online Ads				
								Targeting Chicago, New York, San Fran & Denver				
<b>comScore.com</b>												
Impressions: TBD								Online Ads & Email				
<b>DEI</b>												
Impressions: TBD								Online Blogger Campaign				
<b>Facebook</b>												
Impressions: TBD								SCVB Facebook advertising				
<b>Google Search &amp; Network Target Market</b>												
Impressions: TBD								SCVB Search & Network Target Market & Event Campaign				
<b>Target Digest</b>												
Mailing Planner Database: 60,000								3rd Party Mailing Planner Email Blast				
<b>SCVB Leisure Visitor &amp; Travel Trade Email Landing Page</b>												
Leisure Database: 60,000 Travel Agent: 2,500								Monthly email blast to SCVB Leisure and Travel Agent databases				
<b>SCVB Meeting Planner Email</b>												
Meetings Database: 5,880		Only email blast to SCVB Meetings Database			Only email blast to SCVB Meetings Database			Only email blast to SCVB Meetings Database			Only email blast to SCVB Meetings Database	
<b>SCVB Event Splash Page</b>												
Impressions: TBD								Formatted ad opportunity on SCVB website event pages				
<b>SCVB Driver Splash Page</b>												
Impressions: TBD								Formatted ad opportunity on SCVB website driver pages				

	July	August	September	October	November	December	January	February	March	April	May	June
SCVS Driver Counselor												
Impression: TBD					Promoted ad opportunity on SCVS website driver counselor							
SCVS Featured Listing												
Impression: TBD					Featured listing opportunity on SCVS website sub-category pages							





## FY 2013-14 Communications Program of Work (\*open to member participation)

### JULY 2013

#### **\*Arizona Governor's Conference on Tourism – July 10-12, 2013**

This conference provides a forum for professionals from destination marketing organizations, tour operators, attractions, airlines, accommodations and other hospitality related organizations to come together to discuss marketing strategies, partnership opportunities and critical issues facing the Arizona tourism industry.

- Location: JW Marriott Starr Pass Resort & Spa, Tucson, AZ
- CVB contact: Laura McMurchie at [lmcmurchie@scottsdalecvb.com](mailto:lmcmurchie@scottsdalecvb.com) or 480-429-2253

#### **\*Denver Media/Client Event – July 23, 2013**

The Scottsdale CVB's communications, marketing, tourism and convention sales departments will partner to host an event for Denver-area media, meeting planners and travel professionals at a Colorado Rockies game. This event will give participating members the chance to present their company's information to media and clients in this key feeder market. While Denver is a small media market, it ranks sixth for domestic feeder cities to Scottsdale and is particularly important in luring these visitors during Scottsdale's peak season. Increased direct flights from Denver to Phoenix, Colorado Rockies spring training at the Fields at Talking Stick and the bureau's targeted marketing in this region have led to a steady increase in Denver area visitation to Scottsdale.

- Estimated Media Attendance/Interaction: 10-15 Denver-area journalists
- Location: Denver, Colorado
- CVB contact: Tatum Luoma at [tluoma@scottsdalecvb.com](mailto:tluoma@scottsdalecvb.com) or 480-889-2719

### AUGUST 2013

#### **\*Calgary Media Event – August 14, 2013**

Prior to Travel Classics West, the CVB will host a dinner for top media in Calgary. Alberta has a small base of media with limited outlets, but it is important to tell our Scottsdale stories in this market as Calgary ranks second for Canadian visitation to Scottsdale and number two in spend.

- Estimated Media Attendance/Interaction: 10 editors/writers
- Location: Calgary, AB, Canada
- CVB contact: Laura McMurchie at [lmcmurchie@scottsdalecvb.com](mailto:lmcmurchie@scottsdalecvb.com) or 480-429-2253

**Destination Marketing Services Agreement  
FY2013-2014 Program of Work Performance Standards**

**Convention Sales**

1. Generate 1200 convention sales leads for Scottsdale properties.
2. Conduct 160 customer interaction/site inspections for Scottsdale properties.
3. Confirm 383 convention bookings for future dates.
4. Confirm convention bookings for future dates resulting in 103,500 room nights.

**Convention Services**

1. Generate 240 non-hotel leads to Scottsdale SCVB members.

**Travel Industry Sales**

1. Generate 1,500 domestic and international tour program leads and services for Scottsdale properties/venues.
2. Promote Scottsdale as one of the world's top leisure destinations to 3,300 targeted clients.
3. Generate a minimum of 2.7 million travel agent impressions via destination product offering in domestic and international tour operator catalogues.

**Communications**

1. Generate 1000 travel articles about Scottsdale.
2. Reach a minimum of 1.5 billion readers/viewers through editorial placement.
3. Generate publicity with an equivalent advertising value of at least \$16 million.

**Marketing**

1. Convert a minimum of 73% of CVB inquiries into Scottsdale visitors.
2. Generate economic impact of \$120,000,000 associated with the CVB's visitor inquiries.
3. Generate no less than a total of 25,000 inquiries from high demographic customers in International and Domestic markets such as Canada, France, Germany, Mexico United Kingdom, Chicago, Los Angeles, New York, San Francisco, Denver, Phoenix
4. Generate a minimum of 1,000,000 unique visitors to the SCVB website.

**Scottsdale Convention & Visitors Bureau**

Attachment No. 5

Budget for Fiscal Year July 1, 2013 - June 30, 2014

	Budget 2013-2014	REVISED Budget 2012-2013	Budget 2012-2013
<b>REVENUE</b>			
<b>Contracts</b>			
City of Scottsdale - Basic (50%)	6,994,500	6,528,958	6,692,500
City of Scottsdale - Carryover		81,948	81,948
City of Scottsdale - True-up		126,655	
COS Pass-through Fiesta Bowl	276,345	265,717	265,717
COS Pass-through RnR Marathon		90,000	90,000
<b>Total City of Scottsdale Funding</b>	<b>7,270,845</b>	<b>7,093,278</b>	<b>7,130,165</b>
Town of Paradise Valley	1,032,025	950,000	950,000
Ft McDowell Yavapai Nation	100,000	75,000	75,000
Salt River Pima	100,000	100,000	75,000
State of Arizona - Prop 302	1,835,901	1,793,608	1,500,000
<b>TOTAL CONTRACTS</b>	<b>10,338,771</b>	<b>10,011,886</b>	<b>9,730,165</b>
<b>Private Sector</b>			
Project/Program Revenue	1,000,000	1,078,800	1,118,052
Private Sector Carryover	38,000	97,664	
<b>TOTAL ALL REVENUE</b>	<b>11,376,771</b>	<b>11,188,350</b>	<b>10,848,217</b>

**Scottsdale Convention & Visitors Bureau**

Budget for Fiscal Year July 1, 2013 - June 30, 2014

Attachment No. 5

	<b>Budget 2013-2014</b>	<b>REVISED Budget 2012-2013</b>	<b>Budget 2012-2013</b>
<b>EXPENSES</b>			
<b>Personnel:</b>			
Salaries	3,361,355	3,070,877	3,140,877
Benefits	652,313	590,212	620,212
Payroll Taxes	261,332	238,911	258,911
<b>TOTAL PERSONNEL</b>	<b>4,275,000</b>	<b>3,900,000</b>	<b>4,020,000</b>
<b>Marketing:</b>			
Advertising	2,682,294	2,801,025	2,451,170
On Line Advertising	515,902	518,693	450,000
Agency Retainer	131,000	112,307	131,000
Relationship Marketing			10,000
Printing	276,545	245,465	293,545
Production	135,000	360,640	167,000
Web Site Expenses	32,750	22,750	32,750
Event Sponsorships/Contract Obligations	346,345	442,217	471,217
Event Operating Expenses	120,000	107,000	187,000
Marketing Amenities/Promo Items	45,000	35,698	47,500
Photography	44,500	93,330	100,600
Strategic Planning/Research/Prof Services	104,000	75,820	74,000
Postage/Fulfillment	201,000	193,400	166,000
Call Center	3,535	3,535	3,535
Operations/Travel	61,900	53,600	59,900
<b>TOTAL MARKETING</b>	<b>4,699,771</b>	<b>5,065,480</b>	<b>4,645,217</b>

## Scottsdale Convention & Visitors Bureau

Attachment No. 5

Budget for Fiscal Year July 1, 2013 - June 30, 2014

	Budget 2013-2014	REVISED Budget 2012-2013	Budget 2012-2013
<b>Convention Sales &amp; Services:</b>			
Local Meeting Expenses, Mileage, Dues	59,000	70,000	70,000
FAMs	81,000	72,000	72,000
Sales Calls/Missions	49,000	64,000	64,000
Tradeshows/Conferences	254,500	186,000	186,000
Meetings Sponsorships	15,000	15,000	15,000
Prospect Marketing and List Purchases	134,000	137,000	137,000
Sales Training	9,500	9,500	9,500
Client Events	74,000	56,500	56,500
<b>TOTAL CONVENTION SALES</b>	<b>676,000</b>	<b>610,000</b>	<b>610,000</b>

**Scottsdale Convention & Visitors Bureau**

Budget for Fiscal Year July 1, 2013 - June 30, 2014

Attachment No. 5

	<b>Budget 2013-2014</b>	<b>REVISED Budget 2012-2013</b>	<b>Budget 2012-2013</b>
<b>Tourism:</b>			
Local Meeting Expenses, Dues, Postage, Supplies	65,500	65,500	65,500
Trade Representation, Co-op Programs, Sponsorships	109,000	118,000	108,000
FAMs/ Site Inspections	15,000	15,000	15,000
Tradeshows, Conferences	70,000	70,000	70,000
Sales Missions/Product Training	64,500	64,500	64,500
<b>TOTAL TOURISM</b>	<b>324,000</b>	<b>333,000</b>	<b>323,000</b>



**Scottsdale Convention & Visitors Bureau**

Budget for Fiscal Year July 1, 2013 - June 30, 2014

Attachment No. 5

	Budget 2013-2014	REVISED Budget 2012-2013	Budget 2012-2013
<b>Communications:</b>			
Local Meeting Expenses, Mileage, Dues	25,000	40,000	40,000
Golf Marketing	75,000	80,000	80,000
PR Contracts/Expenses	205,000	97,000	97,000
Conferences & Media Forums	10,000	52,000	52,000
Incoming Media Program	80,000	110,000	110,000
Trade Shows	10,000	10,000	10,000
Media Missions/Events	95,000	85,000	85,000
Media Resources	50,000	34,000	34,000
Corporate Communications			27,000
<b>TOTAL COMMUNICATIONS</b>	<b>550,000</b>	<b>508,000</b>	<b>535,000</b>
<b>Community &amp; Government Affairs</b>			
Local Meeting Expenses, Mileage, Dues	5,500	3,250	
Research	40,000	-	
Community & Government Affairs	6,000	3,500	
Annual Meeting	20,000	15,400	
Media Resources	2,500	2,300	
<b>TOTAL COMMUNITY &amp; GOV'T AFFAIRS</b>	<b>74,000</b>	<b>24,450</b>	
<b>Membership:</b>			
Telephone	750	750	
Copier Expenses	750	750	1,000
Postage	800	800	1,000
Office Supplies	500	500	1,000
Local Meeting Expenses, Mileage, Dues	1,000	1,000	4,000
Member Materials/Communication			1,200
Professional Services			3,000

**Scottsdale Convention & Visitors Bureau**

Attachment No. 5

Budget for Fiscal Year July 1, 2013 - June 30, 2014

	Budget 2013-2014	REVISED Budget 2012-2013	Budget 2012-2013
Newsletters			
Seminars			2,000
Out of Town Travel	1,200	1,200	1,800
Sponsorship Fulfillment			
<b>TOTAL MEMBERSHIP</b>	<b>5,000</b>	<b>5,000</b>	<b>15,000</b>

**OVERHEAD COSTS:****Operations:**

Software	5,000		5,000
Network Equipment	3,000	65,500	-
Office Equipment/Furniture		19,470	
Training:			
Computer Training	12,000	5,000	5,000
IT and Accounting	12,000	19,000	19,000
Maintenance Contracts	45,000	48,000	45,000
Office Rent	270,000	265,000	260,000
Bank Fees	400	400	1,000
Credit Card Fees	7,500	5,000	5,000
Payroll Fees	7,000	6,500	6,500
Property Taxes	1,000	900	1,500
Corporate Insurance	27,000	30,000	30,000
IT Professional Services	149,000	38,000	50,000
Audit Professional Services	13,500	13,000	13,000
Legal Professional Services	16,000	15,000	38,000
Human Resources Services	10,000	10,000	10,000
Internet Access	25,000	25,000	20,000
Telephone Lines & Long Distance	12,000	20,000	30,000
Fax Expenses			1,000
Cable TV	850	850	1,500

**Scottsdale Convention & Visitors Bureau**

Budget for Fiscal Year July 1, 2013 - June 30, 2014

Attachment No. 5

	<b>Budget 2013-2014</b>	<b>REVISED Budget 2012-2013</b>	<b>Budget 2012-2013</b>
Copier Expenses	5,000	5,000	18,000
Postage	4,500	4,500	5,500
Office Supplies	12,000	10,000	12,000
Dues & Subscriptions	80,000	78,000	60,000
Employee Recruitment/Relations	9,000	9,000	12,000
Printing	500		1,000
<b>TOTAL OPERATIONS</b>	<b>727,260</b>	<b>693,120</b>	<b>650,000</b>

**Scottsdale Convention & Visitors Bureau**

Budget for Fiscal Year July 1, 2013 - June 30, 2014

Attachment No. 5

	<b>Budget 2013-2014</b>	<b>REVISED Budget 2012-2013</b>	<b>Budget 2012-2013</b>
<b>Board &amp; CEO:</b>			
Hotelier/Member Meetings	4,000	4,000	4,500
Telephone Lines & Long Distance	800	1,000	1,000
Office Supplies	2,000	4,400	4,400
Board of Directors	300	300	10,000
Local Staff Travel	15,050	16,000	16,000
Local Meeting Expense	11,000	11,000	5,500
Dues & Subscriptions	2,000	2,000	2,000
Conferences/Professional Education	1,000	1,000	1,000
Out of Town Travel	9,000	9,000	5,000
Copier Expense	500	500	500
Postage	100	100	100
<b>TOTAL BOARD &amp; CEO</b>	<b>45,750</b>	<b>49,300</b>	<b>50,000</b>
<b>Total "Overhead Costs"</b>	<b>773,000</b>	<b>742,420</b>	<b>700,000</b>
<b>As a Percentage of Total Revenue</b>	<b>6.79%</b>	<b>6.64%</b>	<b>6.45%</b>
<b>As a Percentage of City of Scottsdale Revenue</b>	<b>10.63%</b>	<b>10.47%</b>	<b>9.82%</b>
<b>TOTAL ALL EXPENSES</b>	<b>11,376,771</b>	<b>11,188,350</b>	<b>10,848,217</b>
<b>NET</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Hospitality and Promotional Agreement Scottsdale Convention & Visitors Bureau and Fiesta Bowl**

THIS AGREEMENT is made and entered into this 28th day of August, 2006, by and between the Scottsdale Convention & Visitors Bureau, Inc., an Arizona non-profit corporation ("SCVB"), and Fiesta Events, Inc. (d.b.a. Fiesta Bowl), an Arizona non-profit corporation ("Fiesta Bowl").

### **WITNESSETH**

A. The Fiesta Bowl and the Scottsdale community have had a long, mutually beneficial relationship. Fiesta Bowl teams have stayed in Scottsdale resorts and practiced at Scottsdale-area facilities for the past two decades.

B. SCVB and Fiesta Bowl desire to enter into an Agreement whereby both Fiesta Bowl football teams will lodge and practice in the Scottsdale area for the next twenty (20) Fiesta Bowl games beginning in January 2007. SCVB and Fiesta Bowl desire to enter into an Agreement whereby both football teams that participate in the next five (5) Bowl Championship Series (or commensurate governing body's) National Championship games staged in Maricopa County, Arizona will lodge and practice in the Scottsdale area at any time these games occur beginning in January 2007. SCVB and Fiesta Bowl desire to enter into an Agreement whereby one Insight Bowl football team will lodge and practice in the Scottsdale area for at least the next four (4) Insight Bowl games beginning in December 2006. Lodging for Fiesta Bowl and National Championship teams must meet Bowl Championship Series' (or commensurate governing body's) customary standards with teams assigned to resorts as outlined in Section 1.1 of this Agreement. The teams include the traveling party representing the participating teams, including all university athletes, coaches and officials representing the football teams.

C. This Agreement is intended to benefit SCVB and the City of Scottsdale, an Arizona municipal corporation ("City") by promoting Scottsdale and tourism in Scottsdale during the Fiesta Bowl and at other times.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. **HOSTING**. Fiesta Bowl shall do the following during the entire term of this agreement:

1.1 Fiesta Bowl shall cause both Fiesta Bowl and both National Championship teams to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. Fiesta Bowl shall also cause one Insight Bowl team to lodge during the majority of their visit to Arizona in a resort that pays bed tax to City or to the Town of Paradise Valley for the next four Insight Bowl games beginning in December 2006. Should Fiesta Bowl not be able to secure lodging for both Fiesta Bowl and both National Championship teams in City or Town of Paradise Valley resorts that

meets Bowl Championship Series' (or commensurate governing body's) customary standards, Fiesta Bowl shall have the right to locate one Fiesta Bowl team per year or one National Championship team per year in years when a National Championship game is staged in Maricopa County, Arizona, in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley. Fiesta Bowl is required to exhaust all possibilities for lodging within resorts that pay bed tax to City or Town of Paradise Valley prior to consideration of SCVB-member resorts that do not pay bed tax to City or Town of Paradise Valley. Should Fiesta Bowl cause a Fiesta Bowl or National Championship team to lodge in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley, Fiesta Bowl, in that year, shall cause a minimum of one additional Fiesta Bowl group as defined in Section 1.4 to lodge for the majority of their visit to Arizona in a hotel or resort that pays bed tax to City or to the Town of Paradise Valley.

1.2 Fiesta Bowl shall cause both Fiesta Bowl and both National Championship teams to conduct the majority of their practices, scrimmages and rehearsals at facilities within City and/or in facilities near City that are mutually agreeable between SCVB and Fiesta Bowl. Fiesta Bowl shall also cause one Insight Bowl team to conduct the majority of their practices, scrimmages and rehearsals at facilities within City and/or in facilities near City that are mutually agreeable between SCVB and Fiesta Bowl for the next four (4) Insight Bowl football games beginning in December 2006. City and SCVB agree to not unreasonably withhold approval of practice sites necessary to provide the best service possible to Fiesta Bowl, National Championship and Insight Bowl teams.

1.3 Fiesta Bowl shall be responsible for securing and renting its Scottsdale and Scottsdale area practice facilities. No additional funds or reimbursement for practice facilities' renovations or maintenance will be provided by SCVB or City.

1.4 Fiesta Bowl shall cause a minimum of five (5) Fiesta Bowl or Insight Bowl-related groups per year representing a minimum of 2,000 hotel or resort room nights per year to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. A minimum of three (3) of these groups per year, representing a minimum of 1,200 hotel or resort room nights per year, must be affiliated with the Fiesta Bowl, instead of the Insight Bowl. In those years that Fiesta Bowl stages a National Championship game in Maricopa County, Arizona, Fiesta Bowl shall also cause a minimum of five (5) National Championship-related groups per year representing a minimum of 2,000 hotel or resort room nights per year, to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. As outlined in Section 1.1, should Fiesta Bowl cause a Fiesta Bowl or National Championship team to lodge in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley, Fiesta Bowl, in that year, shall cause a minimum of one additional Fiesta Bowl or National Championship, not Insight Bowl, group representing a minimum of 400 hotel or resort room nights to lodge for the majority of their visit to Arizona in a hotel or resort that pays bed tax to City or to the Town of Paradise Valley. For purposes of this paragraph, a group consists of a block of hotel or resort room nights documented by Fiesta Bowl and consumed by media, university alumni associations, university tour operator groups, university bands, corporate and sponsor groups,



television networks, Bowl Championship Series (or commensurate governing body) or conference officials, who travel to Maricopa County, Arizona for the primary purpose of attending or participating in the Fiesta Bowl, National Championship or Insight Bowl games. Fiesta Bowl, National Championship and Insight Bowl teams are excluded from this definition of a group and are addressed separately in this Agreement. For purposes of this paragraph, a room night is one hotel or resort room consumed for one night.

**2. PROMOTION.** Fiesta Bowl shall provide to SCVB and City the following promotional benefits during the entire term of this agreement:

2.1 SCVB shall be the exclusive convention and visitors bureau and hotel reservations service listed and/or promoted by Fiesta Bowl for the Fiesta Bowl and National Championship games.

2.2 Fiesta Bowl shall promote within all Fiesta Bowl promotional and collateral materials, and any National Championship game promotional and collateral materials produced by Fiesta Bowl, the SCVB's website address for an accommodations-booking page located on [www.experiencescottsdale.com](http://www.experiencescottsdale.com).

2.3 Fiesta Bowl shall refer all Fiesta Bowl and National Championship game customers, including callers and e-mail inquiries, seeking accommodations information to the accommodations-booking page on [www.experiencescottsdale.com](http://www.experiencescottsdale.com).

2.4 Fiesta Bowl shall provide a prominent link from the home page of its website to SCVB's accommodations-booking page on [www.experiencescottsdale.com](http://www.experiencescottsdale.com).

2.5 Fiesta Bowl shall promote the accommodations-booking page on [www.experiencescottsdale.com](http://www.experiencescottsdale.com) to all incoming Fiesta Bowl and National Championship game groups, such as alumni associations, booster groups, dignitaries and fans.

2.6 Fiesta Bowl shall grant SCVB power to appoint one representative to be part of any committee that involves communicating/meeting with Fiesta Bowl and National Championship game groups regarding game-related accommodations. Fiesta Bowl or Insight Bowl officials shall remain the sole point of contact for discussions with bowls' football teams, the Bowl Championship Series, Bowl Championship Series' conferences and television networks for lodging arrangements.

2.7 Fiesta Bowl shall allow SCVB to take part in any promotional trips scheduled by Fiesta Bowl to the markets of the participating or proposed participating teams for Fiesta Bowl and the National Championship game. SCVB will pay for all of its expenses related to these trips.

2.8 Fiesta Bowl shall cause SCVB to receive a minimum of five (5) public address announcements during each Fiesta Bowl and each National Championship football game. The Fiesta Bowl and SCVB shall mutually agree as to the content of these messages.

2.9 Fiesta Bowl shall provide to SCVB two (2) 30-second video board spots during each Fiesta Bowl football game and during each National Championship game.

2.10 Fiesta Bowl shall provide to SCVB one (1) full-page advertisement in all official Fiesta Bowl and Insight Bowl football game programs, Fiesta Bowl Entertainment Guides and National Championship football game programs.

2.11 Fiesta Bowl shall prominently list "City of Scottsdale" and "Scottsdale Convention & Visitors Bureau" on the sponsor recognition page in the Fiesta Bowl game program, and in any other Fiesta Bowl and National Championship game publications, websites, and collateral materials where Fiesta Bowl sponsors are listed or recognized.

**3. HOSPITALITY.** Fiesta Bowl shall provide to SCVB the following hospitality benefits during each year of this Agreement, which SCVB shall use to entertain meeting and travel planner clients, and also as fulfillment for Fiesta Bowl-related consumer promotions established to generate Scottsdale visitor inquiries:

3.1 One (1) in-stadium suite with a minimum of 20 tickets for that suite to each Fiesta Bowl football game and each National Championship football game for sole use by SCVB. SCVB shall be responsible for all food and beverage expenses incurred for this suite.

3.2 Thirty (30) tickets to each Fiesta Bowl football game and National Championship football game. All of the tickets will be located in the best available "non suite" category of seating.

3.3 Fifty (50) tickets to each Fiesta Bowl's "College Football's Biggest Party" or equivalent pre-game party celebration for each Fiesta Bowl football game and National Championship football game.

3.4 Eight (8) tickets to each Fiesta Bowl Pre-Game Party or equivalent event for each Fiesta Bowl football game and National Championship football game.

3.5 Eight (8) parking passes to each Fiesta Bowl football game and National Championship football game.

3.6 Eight (8) game tickets to each Insight Bowl.

3.7 Two (2) parking passes to each Insight Bowl.

3.8 Four (4) tickets to each Fiesta Bowl Ball.

3.9 SCVB and City agree that no Fiesta Bowl, Insight Bowl or National Championship game tickets, suites, passes or advertising may be sold or resold by either SCVB or City to any outside person or agency.

**4. FIESTA BOWL BENEFITS.** SCVB shall provide to Fiesta Bowl the following benefits during each year of this Agreement.

4.1 SCVB shall cause City to provide Scottsdale police escorts to and from daily practices and to and from all Fiesta Bowl, Insight Bowl and National Championship football games to all teams that stay in hotels or resorts that pay bed tax to City or to the Town of Paradise Valley. The police escorts will be provided at no charge to Fiesta Bowl or the applicable teams or universities.

4.2 SCVB shall cause City to designate a Scottsdale police department representative to inform and assist Fiesta Bowl, Insight Bowl and National Championship game teams staying in Scottsdale with matters of public safety and security regarding the teams' respective stays in City.

4.3 SCVB shall aid Fiesta Bowl annually, upon request, with locating practice facilities within City for use by Fiesta Bowl, Insight Bowl and National Championship teams during their stays at SCVB-member resorts.

4.4 SCVB shall aid Fiesta Bowl annually, upon request, with securing room blocks and rates at Scottsdale and Paradise Valley resorts at or under guideline rates set by the Bowl Championship Series (or commensurate governing body) for Fiesta Bowl, Insight Bowl and National Championship game teams.

4.5 SCVB shall secure annually for Fiesta Bowl's use a block of 250 room nights at resorts that pay bed tax to City or Town of Paradise Valley that can be used by Fiesta Bowl throughout the year. Fiesta Bowl will pay a substantially-discounted rate for these room nights, the exact rate to be paid by Fiesta Bowl for these room nights will be mutually agreeable to Fiesta Bowl and SCVB. Fiesta Bowl will not be required to utilize these room nights unless needed by and acceptable to Fiesta Bowl.

4.6 SCVB shall feature Fiesta Bowl and National Championship games within SCVB's destination marketing materials, including its web site ([www.scottsdalecvb.com](http://www.scottsdalecvb.com)) with a link to Fiesta Bowl's web site.

4.7 SCVB shall pay Fiesta Bowl as follows for the hosting, promotional, and hospitality benefits outlined in this Agreement.

**Fiesta Bowl Games**

1<sup>st</sup> Game--\$210,000  
One Time--\$500,000  
2<sup>nd</sup> Game--\$218,400  
3<sup>rd</sup> Game--\$227,136  
4<sup>th</sup> Game--\$236,221  
5<sup>th</sup> Game--\$245,670  
6<sup>th</sup> Game--\$255,497  
7<sup>th</sup> Game--\$265,717  
8<sup>th</sup> Game--\$276,346  
9<sup>th</sup> Game--\$287,400  
10<sup>th</sup> Game--\$298,896  
11<sup>th</sup> Game--\$310,852  
12<sup>th</sup> Game--\$323,286  
13<sup>th</sup> Game--\$336,217  
14<sup>th</sup> Game--\$349,666  
15<sup>th</sup> Game--\$363,653  
16<sup>th</sup> Game--\$378,199  
17<sup>th</sup> Game--\$393,327  
18<sup>th</sup> Game--\$409,060  
19<sup>th</sup> Game--\$425,422  
20<sup>th</sup> Game--\$442,439

**National Championship Games**

1<sup>st</sup> Championship Game--\$210,000  
2<sup>nd</sup> Championship Game--\$245,670  
3<sup>rd</sup> Championship Game--\$287,400  
4<sup>th</sup> Championship Game--\$336,217  
5<sup>th</sup> Championship Game--\$393,327

Grand Total Cash after twenty (20) Fiesta Bowl Games, twenty (20) Insight Bowl Games, and five (5) National Championship Games: \$8,226,018

In-Kind Police Services for twenty (20) Fiesta Bowl Games, twenty (20) Insight Bowl Games, and five (5) National Championship Games: \$300,000

4.8 Should the Bowl Championship Series (or commensurate governing body) adjust its model for the hosting of championship games to an arrangement where the National Championship game is played within the Fiesta Bowl game, Fiesta Bowl will receive its regularly-scheduled payment for that Fiesta Bowl game, plus an additional \$50,000 from SCVB per National Championship game played within the Fiesta Bowl game. No other separate or additional National Championship game payments will be made for National Championship games played within Fiesta Bowl games.

**5. PAYMENT SCHEDULE.** Fiesta Bowl shall deliver to SCVB on or before October 1, 2006 an invoice for a one-time \$500,000 payment indicating payment is due on or before November 1, 2006. Fiesta Bowl shall deliver to SCVB on or before October 1 and January 1 of each year—beginning October 1, 2006—a payment request for 50 percent of the cash amount due to Fiesta Bowl for that fiscal year, based on the payment amounts

listed in Section 4.7 of this Agreement. Payments will be due to Fiesta Bowl no later than November 1 and February 1 for each game.

**6. TERM AND EXTENSION.** The term of this Agreement shall begin August 2006 and expire the earlier of August 31, 2030, or the date that 20 Fiesta Bowl football games, 20 Insight Bowl football games, and five National Championship football games have been played.

**7. GAME INTERRUPTION.** The parties believe that the Fiesta Bowl and the Insight Bowl will be played in Maricopa County, Arizona every year and that the National Championship Game will be played every fourth year in Maricopa County, Arizona beginning in January 2007. Should any of these regularly-scheduled football games not be played in Maricopa County, Arizona, during any year of this Agreement, SCVB shall not be obligated to provide Fiesta Bowl with any payment or other performance for that year for that football game and Fiesta Bowl shall not be obligated to provide SCVB with any of the promotion, hospitality benefits or other performance for that year for that football game. The game payments shall be made in the order and in the amounts listed in paragraph 4.7. For example, if the National Championship Game is not played in Maricopa County, Arizona in 2015, then 1) no payment shall be made for the National Championship Game in 2015; 2) the amount of the next National Championship Game payment shall be the amount that would have been paid in 2015 had the National Championship Game been played in 2015; and 3) the amount of each subsequent National Championship Game payment shall be the next unpaid National Championship Game payment amount listed in paragraph 4.7. For another example, if the Fiesta Bowl Game is not played in Maricopa County, Arizona in 2007, then 1) no payment shall be made for the Fiesta Bowl Game in 2007; 2) the amount of the next Fiesta Bowl Game payment shall be the amount that would have been paid in 2007 had the Fiesta Bowl Game been played in 2007; and 3) the amount of each subsequent Fiesta Bowl Game payment shall be the next unpaid Fiesta Bowl Game payment amount listed in paragraph 4.7. For purposes of this paragraph, the annual non-championship payment shall be allocated 90 percent to the Fiesta Bowl Game and 10 percent to the Insight Bowl Game. The one-time \$500,000 payment is payable regardless of game cancellation. All other provisions of this Agreement shall remain in effect.

**8. SCVB TERMINATION.** Should City terminate its contract for Convention & Visitors Bureau services with the SCVB during the term of this Agreement and funds are not appropriated by City to continue its contract with SCVB, SCVB may terminate this Agreement. SCVB agrees to give thirty (30) days written notice to Fiesta Bowl regarding its intent to terminate this Agreement should City terminate its contract for Convention & Visitors Bureau services with SCVB.

**9. THIRD PARTY BENEFICIARY.** City is not a party to this Agreement, but is a third party beneficiary to this Agreement. Any termination or modification of this Agreement shall require City's formal prior written consent.

10. **ENTIRE AGREEMENT.** This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives of each party.

11. **ARIZONA LAW.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

12. **ASSIGNMENT.** Services covered by this Agreement shall not be assigned or sublet in whole or in part without the prior written consent of the other party.

13. **SUCCESSORS AND ASSIGNS.** This Agreement shall extend to and be binding upon both parties, its successors and assigns, including any individual, company, partnership, or other entity with or into which either party shall merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which either party shall sell its assets.

14. **ATTORNEY'S FEES.** In the event either party (or City) brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default hereof, the prevailing party (or City) shall be entitled to receive from the other party reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. Should either party (or City) believe any breach or default has occurred, it shall notify the other party (and City) in writing as to the nature of the dispute. The parties will have a 30-day period, upon receipt of notice, to remedy the breach or default. An independent mediator or arbitrator, as agreed upon by both parties (and City), shall be used, prior to either party taking legal action, to settle any such disputes.

15. **INDEPENDENT CONTRACTOR.** The relationship between SCVB and Fiesta Bowl shall be that of independent contractors for purposes including tax law purposes and engagement law purposes and not that of employer-employee, principal-agent, partners, joint ventures, or otherwise.

16. **NOTICES.** All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, with a copy to City, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.



In the case of Fiesta Bowl:  
Fiesta Events, Inc.  
7135 East Camelback Road, Suite 290  
Scottsdale, AZ 85251

With a copy to:  
Snell & Wilmer LLP.  
One Arizona Center  
400 East Van Buren  
Phoenix, AZ 85004-2202  
Attention: Craig K. Williams, Esq.

In the case of Scottsdale Convention & Visitors Bureau:  
Scottsdale Convention & Visitors Bureau  
Galleria Corporate Centre  
4343 N. Scottsdale Rd., Suite 170  
Scottsdale, AZ 85251

In the case of City:  
Attention: Tourism Development Manager  
City of Scottsdale  
7447 E. Indian School Road, Suite 200  
Scottsdale, AZ 85251

Notices shall be deemed received on date delivered if delivered by hand and on the delivery date indicated on receipt if delivered by certified or registered mail.

**17. CAPTIONS.** The captions used in this Agreement are solely for the convenience of the parties, do not constitute a part of this Agreement, and are not to be used to construe or interpret this Agreement.

**18. SEVERABILITY.** If any term or provision of this Agreement shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Agreement shall remain in full force and effect and such term or provision shall be deemed to be deleted.

**19. AUTHORITY.** Each party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

**20. PUBLICITY.** Except as may be required by law or any governmental authority, or to obtain any consents or approvals required by this Agreement, the parties hereto shall not, without the consent of the other party, make any public disclosure of the existence of this Agreement, the parties hereto, the terms hereof or any other matter related hereto.

**21. INTELLECTUAL PROPERTY.** Each party hereby grants the other party a non-exclusive license to use the trademarks, trade names and related intellectual property rights related to the promotion requirement and obligations under this Agreement; provided, however, prior to the use of any such trademarks, trade names, logos or intellectual property rights, both parties shall mutually agree on the use of any and all such property rights so as to maintain the integrity and goodwill of the parties to this Agreement. Notwithstanding anything contained herein, neither party shall have any ownership rights in the other party's trademarks, trade names, logos or other intellectual property rights.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, SCVB and Fiesta Bowl have hereunto subscribed their names as of the date first above stated.

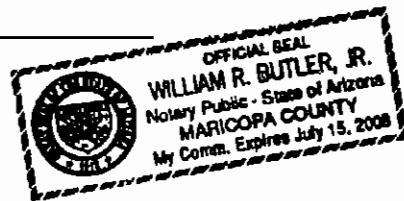
SCOTTSDALE CONVENTION & VISITORS BUREAU, INC.

By: \_\_\_\_\_

Rachel R. Sacco  
Rachel R. Sacco, President & CEO

Subscribed and sworn to before me this 28 day of August, 2006 to certify which witness my hand and seal of office.

William R. Butler, Jr.  
NOTARY PUBLIC



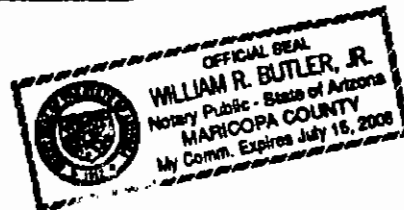
FIESTA EVENTS, INC.

By: \_\_\_\_\_

John Junker  
John Junker, President & CEO

Subscribed and sworn to before me this 28th day of August, 2006 to certify which witness my hand and seal of office.

William R. Butler, Jr.  
NOTARY PUBLIC





**CITY OF SCOTTSDALE  
TOURISM DEVELOPMENT COMMISSION  
REGULAR MEETING**

**Tuesday, May 21, 2013**

**Witzeman Public Safety Building  
8401 E. Indian School Road  
Scottsdale, Arizona 85251**

**DRAFT MINUTES**

**PRESENT:** Kathleen Glenn, Chairwoman  
David Scholefield, Commissioner  
Tom Enders, Commissioner  
Robert McCreary, Commissioner  
Ren Hirose, Commissioner

**ABSENT:** Ace Bailey, Commissioner  
Carl Grupp, Commissioner

**STAFF:** Steve Geiogamah  
Kroy Ekblaw  
Rob Millar  
Lee Guillory  
Cindy Eberhardt  
Holli Shannon

**GUEST:** Rachel Sacco, SCVB  
Caroline Stoeckel, SCVB  
Rachel Pearson, SCVB  
Jason Meszaros, Charros  
Kory Bonds, Charros  
Paul Seivert, Charros  
Lauren Smith, Charros  
Jason Rose, Beat the Heat  
Chris Giles, Beat the Heat  
Perry Edinger, Beat the Heat

**1. Call to Order/Roll Call**

Noting the presence of a quorum, Chairwoman Glenn called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:06 a.m.

**2. Approval of Minutes**

- April 16, 2013 Meeting

**COMMISSIONER SCHOLEFIELD MOVED TO APPROVE THE MINUTES OF THE APRIL 16, 2013 TOURISM DEVELOPMENT COMMISSION MEETING. COMMISSIONER HIROSE SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONERS BAILEY AND GRUPP WERE ABSENT.**

**3. Staff Liaison's Report**

- a. Staff Bed Tax Collection Report
- b. Bed Tax Proforma
- c. Smith Travel Report

Mr. Geiogamah requested feedback from the Commission about how the information is presented.

Chairwoman Glenn said the bed tax is invaluable information but need not be discussed unless results are exceptional. Other Commissioners concurred.

Chairwoman Glenn said the Smith Travel Report is useful information but again questioned whether discussion is needed at every meeting. Other Commissioners agreed this is not necessary.

Ms. Rachel Sacco of the Scottsdale Convention and Visitors Bureau said they also receive a different report. She is more interested in how their competition is faring. Mr. Geiogamah agreed that this information would be more helpful.

Commissioner Hirose pointed out that the Smith Travel Report in the packet is typically data that is about two months old; the next report is usually issued a couple of days before the Commission meets. It would be helpful to receive the most current report. Mr. Geiogamah undertook to circulate this to the Commission.

Commissioners agreed there should be a monthly discussion on the proforma.

Finance Director Ms. Lee Guillory reported that April bed tax collections activity was up 5% over the prior year. Year to date they are up about 1.8%.

Mr. Geiogamah reported no major changes to expenses. Currently \$128,000 is available for new events.

Commissioner Scholefield asked whether the \$2.048 million for the Equestrian Center will be carried over to FY2013/14. Ms. Guillory explained that this represents the total funding to be expended over the current year and FY2013/14.

Commissioner Scholefield noted that the Commission has yet to discuss the hospitality trolley. Chairwoman Glenn confirmed that staff will present an update on the trolley at the next meeting.

d. **Program Updates**

Mr. Geiogamah said the Tourism Development and Marketing Strategic Plan has been approved by City Council. Staff is moving forward with forming a leadership group and has already received several applications. Nine applicants are to be selected and their names will be submitted to City Council in early July.

Strategic Programs Manager Mr. Rob Millar reported that this was the third year of the Hospitality Trolley Program, a partnership with the SCVB, the City Transit Department, the Economic Development Department. Having determined that the options to proceed are a little more complex than originally thought, staff is working with the Purchasing and Transit Departments to develop more specific options.

With respect the Civic Center Mall Master Plan, Mr. Millar said this is now to be a question in the November bond election. The question is worded such that some of the funds could be used for planning the entire Mall.

**4. Desert Discovery Center Phase III Update**

Mr. Kroy Ekblaw, Preserve Director told the Commission that no responses were received to their RFQ. The Phase III Committee met to evaluate this situation and in discussion the issue of location, which has long been a concern of the Preserve Commission, was raised again. He distributed copies of a study of possible alternative locations by the consultants who did the Gateway site analysis. The Committee recommended that if the site is to be located in the Preserve there are opportunities for synergy. If the DDC is to be located outside of the Preserve, two sites should be further studied:

- o The 80-acre site owned by the City at Bell and 94th Street
- o The Pima and Dynamite site owned by the State Land Department, targeted for acquisition for the Preserve

The site at Bell and 94th Street is not adjacent to the Preserve, although it is fairly close. The advantage to this site is that the City already owns the land and it is close to freeway interchanges.

Mr. Ekblaw said it would be possible to buy some of the land at Pima and Dynamite with non Preserve tax dollars, which would avoid the conflict of locating the DDC on Preserve land. This area is about four miles farther from the freeway interchange than the Gateway site. A power corridor crosses a portion of this site although the Center would be located away from it. Because of the size of this site it offers other partnering opportunities and flexibility, which might be more appealing to potential partners. Wildlife rehabilitation facilities might be interested in relocating to this site. The Wallace Desert Gardens is looking for a new location. ASU, U of A and other institutions might be interested in partnering and creating a research center.

The Committee recommends that these two sites and the Gateway site have the most potential. They recommend that staff continue to look for partners and an operator.



Unlike last year, the Committee did not put a time frame this year, since it is now really up to the private sector to step forward. There is not much the City can do to incentivize this. A local group is researching opportunities with research partners. Staff will stay in touch with them and will be presenting these findings to the next meeting of the McDowell Sonoran Preserve Commission on May 30. Following that staff plans a work study session with City Council.

Chairwoman Glenn asked what non Preserve tax funds would be used to purchase the land at Pima and Dynamite. Mr. Ekblaw said this has not yet been identified, although there are several possibilities. The vast majority of this 190-acre parcel would be acquired for the Preserve. He stressed that at this point they are considering the concept only.

Commissioner Hirose inquired about the timeline for creating the DDC. Mr. Ekblaw said nothing is scheduled. Public funding would probably be via a bond election. Since this is not on the election for this November the earliest it could be voted upon would be 2014. Staff believes that once all the commitments are in place there would probably be a three to five-year process before the facility was ready to open.

## **5. FY13/14 Scottsdale CVB Destination Marketing Guide**

Ms. Sacco presented the SCVB budget for FY2013/14. She pointed out that although they are looking at an increase of 5.6%, at \$11.2 million the budget is still not as high as it was in FY2007/08. At that time the budget was over \$11.5 million with 47 FTEs. Staff was reduced by 20% and marketing by 40% during the downturn. The program is similar to the program in FY2007/08 with 43 FTEs. The Bureau no longer uses a full-time advertising agency. She summarized that the Bureau has cut all possible costs and is doing marketing and web design in house.

For next year's program they have obtained feedback from the SCVB Board and their Sales and Marketing Advisory Council. The advice received is to build on their strengths. Accordingly, 11% of the budget increase is allocated to sales efforts. She outlined the twelve new sales activities added for the coming year. The budget for communications is increased by nearly 11%. This is a crucial area for the Bureau. They are able to obtain \$18 million in free editorial press worldwide. Ms. Sacco described plans to prepare for the Super Bowl in February 2015.

The tourism budget has been decreased by approximately 3%. The emphasis will be on training. The marketing has not been increased. However, any bed tax dollars the Bureau receives will be dedicated to marketing. Because bed tax had been trending downward, the Bureau has \$165,000 less than they had projected in this year's budget, meaning no carryover is projected.

Ms. Sacco expressed pride that the Bureau's performance measures in every category remain flat. Even with the budget decreasing every year, performance measure have always been increased. The SCVB will continue to look for the best opportunities to promote Scottsdale.

Chairwoman Glenn asked when the final accounting of bed tax dollars will happen. Ms. Guillory said this is typically in August with any payment on September 1.

Chairwoman Glenn asked when the new HD television commercial will be ready. Ms. Stoeckel said it will probably be ready in July and will air starting in October. Ms. Sacco promised to screen it for the Commission ahead of its launch. This year advertising will start in October rather than January. There will be a fall focus, a holiday focus, an in season focus, a spring training focus, and a summer focus.

Commissioner Hirose enquired about any marketing efforts to Latin America. Ms. Sacco said they work with the Office of Tourism and do some work in that area mainly through the trade and travel media. However they cannot afford to buy media in the region. Commissioner McCreary mentioned that southern Brazil represents an opportunity. Ms. Sacco agreed. They have an active working relationship with the travel trade and media.

Commissioner Scholefield mentioned meeting high-end travel agents at the Virtuoso trade show. He shared that South American travelers are interested in visiting Scottsdale, but lack of direct air access is the number one obstacle. They are competing with Los Angeles and Dallas. As some travelers venture from Los Angeles to Las Vegas, his company tries to persuade them to add Phoenix as a third destination.

Ms. Sacco replied that the Bureau has been very concerned about this question. The China market is opening up, but again, lack of direct air access is proving a stumbling block. A representative from Sky Harbor Airport will be speaking at the SCVB quarterly meeting on June 12. She encouraged everyone to attend.

**COMMISSIONER ENDERS MOVED TO RECOMMEND APPROVAL OF THE SCOTTSDALE CVB DESTINATION MARKETING GUIDE AS PRESENTED. COMMISSIONER MCCREARY SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONERS BAILEY AND GRUPP WERE ABSENT.**

Mr. Geiogamah said staff will present the Destination Marketing Guide to City Council on June 18.

#### **6. FY 13/14 Destination Marketing SCVB Performance Measures**

Mr. Geiogamah said City staff has worked with SCVB staff toward the development of the FY2013/14 performance measurements. The measurements will be presented to City Council for approval on June 18 as part of the contract with the City.

Commissioner Scholefield noted that compared to actual performance so far this year, the goals for next year seem conservative. Ms. Sacco said they are not sure how many leads will be generated from the shows they plan to attend. It has been six or seven years since they approached the Financial & Insurance Conference Planners or the planners of pharmaceutical conventions. She reminded the Commission that the performance measures in the City contract must be met, so they strive to always set achievable standards. Their internal goals are more of a stretch.

**COMMISSIONER SCHOLEFIELD MADE A MOTION TO APPROVE THE DESTINATION MARKETING SCVB PERFORMANCE MEASURES AS PRESENTED. SECONDED BY COMMISSIONER HIROSE, THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONERS BAILEY AND GRUPP WERE ABSENT.**

**7. The Scottsdale Showdown Event – New Event Funding Proposal**

Mr. Jason Meszaros of the Scottsdale Charros and Chair of the Scottsdale Showdown presented the Scottsdale Showdown. This new event is designed to showcase Scottsdale nationally with a rodeo at WestWorld. This will take place on October 19. They have contracted with the Championship Bull Riding (CBR) organization to host a two-hour nationally televised bull riding event in the new Equidome. Scottsdale Showdown has given 26 30-second television ad spots to the SCVB which will air in conjunction with event promotion on the Fox Sports network. He described the other plans including a concert in the tent sponsored by KMLE Country and a tailgate party showcasing Chevy trucks, as Chevrolet is also a sponsor.

Mr. Meszaros summarized that the event's name "Scottsdale Showdown" is what the Charros can offer to the City. KMLE Country is giving all their billboards to the event for a month leading up to it as well as six weeks of on-air promotion and radio spots. The Scottsdale Showdown website will feature links so visitors can book hotel rooms through the SCVB.

The Charros are committed to the long-term success and have already spent \$90,000. Their three-year plan is to grow the Showdown to a multi-day event. They are asking the TDC for \$75,000 in seed money. Mr. Geiogamah clarified that if approved, this would be taken from the FY2013/14 budget. Staff estimates that approximately \$217,000 will be available for new event funding.

Commissioner Hirose asked how the October date was selected, since this is typically a busy month for the hotels. Mr. Meszaros said the Charros focused on spring and fall. They are busy with spring training in the spring and needed to fit in with the CBR tour schedule. In future years this might change.

Chairwoman Glenn commented that the timing and length of this event may not match the criteria for using bed tax funds. They are asking for a substantial amount of the available funding in the budget.

Commissioner Enders said that October is the shoulder season. He was concerned that the event funding requires that the organization match the funds. This would mean that the Charros would have to spend a total of \$150,000 on marketing and advertizing. Looking at the budget they had received it did not appear that this was in the budget. Mr. Geiogamah said the value of the media sponsorships in television, radio and print marketing totals about \$200,000. The value of design, printing and multi-media production is a further investment of \$91,000.

Commissioner Enders said as long as the Charros match any funding the Commission recommends, he feels this is a great event.

Commissioner Scholefield asked for details of the Charros' cash outlay, noting that the City contribution is supposed to be 50% of the cash expenditure. If the City gives \$75,000 they would expect the Charros to spend an equal amount for a total of \$150,000 to be spent on marketing to target markets outside of Maricopa County.

Mr. Kory Bonds of the Charros outlined the billboard campaign. Mr. Geiogamah noted that with the new event program there has been some flexibility with regard to local marketing.

Chairwoman Glenn asked what would happen if an organization does not match the City's contribution. Mr. Geiogamah said that City staff receives a post event report and verifies what funds have been spent. Then the City funding is disbursed. Chairwoman Glenn inquired whether if the Commission recommends approving this request, staff would verify that the request fits within the guidelines before this is submitted to City Council for approval. Mr. Geiogamah said staff requests marketing plans several months in advance of the event.

**COMMISSIONER MCCREARY MOVED TO APPROVE THE REQUEST FOR \$75,000 FOR NEW EVENT MARKETING FOR THE CHARROS SCOTTSDALE SHOWDOWN EVENT. COMMISSIONER HIROSE SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONERS BAILEY AND GRUPP WERE ABSENT.**

**8. Scottsdale Beat the Heat Event Proposal – New Event Funding Proposal**

Mr. Jason Rose presented the Scottsdale Beat the Heat inaugural race, scheduled for June 22, intended to encourage people to visit Scottsdale in the summer. The course at WestWorld is designed to showcase much of what Scottsdale has to offer.

Commissioner Hirose asked about the registration thus far. Mr. Rose said 15% of the 700 registrants to date are from outside of Maricopa County, coming from ten different states.

Commissioner Enders was impressed by the timing and marketing creativity. He said it is concerning to commit \$30,000 a month before the event. He asked about the expenditure on marketing. Mr. Rose acknowledged that they will not spend a total of \$60,000 but said this offers exceptional value. Even after the event it will receive substantial coverage and promotion for Scottsdale. He said the event promoters are spending their own money and he does not understand the City policy.

Commissioner Enders said the Commission expects much more than \$60,000 in value to come from their investment. The only way the Commission can guarantee that the money is spent to market and promote the program is to have the matching funds policy. He asked Mr. Rose what the marketing budget is.

Mr. Rose replied they have spent \$16,000 on marketing. He urged the Commission to take into consideration the applicants and what they have done, and place some value on the media coverage and publicity. Commissioner Enders said the media coverage

does have value. If the organizers were to spend another \$14,000 they have the potential to receive \$30,000 through the new event program for a total of \$60,000 for marketing. Mr. Rose said that would be unlikely. Commissioner Enders said in his opinion the event does not meet the program requirements although he likes it. Potentially the Commission might support it next year with an expanded marketing plan. They have to maintain the integrity of the new event program.

Mr. Rose suggested if this is the Commission's position that it could recommend matching the funds actually spent on marketing. In further discussion, Chairwoman Glenn opined that the event does not have enough room nights to qualify for the tiered event funding as it is not a spectator race primarily. Mr. Rose said the race will start at the Equidome and finish at the polo field at WestWorld, where Scottsdale firefighters will hose the runners to cool them off and everyone can enjoy the world's largest water slide.

Commissioner Enders pointed out that the first year of funding of a new event does not have to be the first year of the event. They could request funding for next year and then would have three years to ramp up room nights to qualify for the tiered event funding program.

Mr. Rose said they have one opportunity to make a first impression. He said they considered not requesting funding for this first year but because of their profound focus on making a first impression they chose to put forward the request.

Several Commissioners noted that this is outside of the program guidelines, as the minimum amount that can be matched is \$30,000. Commissioner Enders said the Commission recently spent a lot of time revising the guidelines so it is important to be consistent. Making exceptions compromises the program. He supports the event and looks forward to them requesting support next year.

Mr. Rose argued that this event is designed to bring people to Scottsdale at the worst possible time of year.

Chairwoman Glenn invited a motion to approve the funding request, no motion was made.

#### **9. FY 13/14 Tiered Event Funding Program**

Mr. Geiogamah presented the changes made by the event working group to the program for FY2013/14.

**COMMISSIONER ENDERS MADE A MOTION TO APPROVE THE REVISED TIERED EVENT FUNDING PROGRAM AS PRESENTED. COMMISSIONER SCHOLEFIELD SECONDED.**

Chairwoman Glenn asked about the application process. Mr. Geiogamah said they tried to streamline it. Staff tries to work with event producers as much as possible.

Commissioner Hirose recalled that at the last meeting of the Commission he had recommended that they meet with all of the event planners.

Chairwoman Glenn asked how staff is finding potential new events. She asked if there was money in the budget to hire someone to actively solicit applications for the funding. Mr. Geiogamah said there would not be time to do that for this year. Ms. Sacco added that the SCVB has been doing outreach with various sectors in the community and she expects some applications from the arts and the spa community. Finding a way to recruit new events to activate downtown and the TNEC is part of the tourism five-year plan.

Commissioner Scholefield agreed that the Commission needs to do a better job of getting this opportunity to the marketplace. He suggested making a commitment to do the kind of outreach Commissioner Hirose suggested three to six months ahead of the application process, rather than putting the onus on the SCVB to find applicants.

**CHAIRWOMAN GLENN CALLED FOR THE VOTE. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONERS BAILEY AND GRUPP WERE ABSENT.**

**10. Election of Vice-Chair**

**COMMISSIONER MCCREARY NOMINATED COMMISSIONER SCHOLEFIELD AS VICE CHAIR. COMMISSIONER ENDERS SECONDED THE NOMINATION. BY A VOTE OF FOUR (4) TO ZERO (0), THE NOMINATION CARRIED. COMMISSIONER SCHOLEFIELD ABSTAINED AND COMMISSIONERS BAILEY AND GRUPP WERE ABSENT.**

**11. Identification of Future Agenda Items**

Chairwoman Glenn commended the SCVB for its efforts with regard to the Super Bowl 2015. Ms. Sacco explained that after a site inspection, ESPN has verbally selected Scottsdale as the site for the ESPN broadcast during Super Bowl. ESPN will broadcast from the Scottsdale Fashion Square site where the Days Inn used to be. The SCVB is planning an extravaganza and continuing outreach efforts with other networks.

Chairwoman Glenn said staff will make a presentation on the hospitality trolley. Mr. Geiogamah said the organizers of the P.F. Chang's Rock'n'Roll Marathon will be back before the Commission.

Commissioner Enders inquired about a site tour of the Tony Nelssen Equestrian Center and WestWorld. Mr. Geiogamah suggested perhaps meeting in the Equidome office space.

Chairwoman Glenn asked if there are any updates about the Museum of the West. Mr. Millar said they are about halfway into the six-month design process and currently about one month behind schedule. The Museum organization is making progress in fundraising. Staff will not ask Council to award the construction contract until the organizers have secured their portion of the funds.



Commissioner Scholefield inquired about proposals to secure the championship football game. Ms. Sacco said the consortium is meeting tomorrow. In July they will be starting work on the bid for the 2016 game. In 2017 the Valley will be hosting the semi-finals. They could be awarded the 2016, 2018 or 2019 championship game, and will know in the first quarter of 2014. The SCVB's experience with the Fiesta Bowl is invaluable as it takes a leadership role in this initiative. Mr. Geiogamah undertook to add this as an agenda item for the June 18 meeting.

**12. Public Comment**

No members of the public wished to address the Commission.

**13. Adjournment**

The meeting adjourned at 9:57 a.m.

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